HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1-8

THURSDAY, JULY 4, 1963

TUESDAY, OCTOBER 8, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

Messrs: F. H. Hall, Chairman of the Negotiating Committee and Executive Assistant to the Grand President of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; S. Wells, Research Director of Non-operating Railway Unions; A. R. Gibbons, Secretary, National Legislative Committee and J. Walter, Assistant Grand Chief, Brotherhood of Locomotive Engineers.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

29502-2—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
McMillan,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*),
Watson (*Châteauguay-Huntingdon-Laprairie*),
(a) Webster—60.

(Quorum 20)

Maxime Guitard,
Clerk of the Committee.

(a) Mr. Webster was added to the membership on July 3, 1963.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
June 27, 1963.

Resolved—That the following Members do compose the Standing Committee on Railways, Canals and Telegraph Lines:

Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Boulanger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Irvine,
Jorgenson,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
McMillan,
McNulty,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*),
Watson (*Châteauguay-Huntingdon-Laprairie*),
—60.

(Quorum 20)

Ordered—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

THURSDAY, June 27, 1963.

Ordered,—That the subject-matter of Bill C-15, An Act to amend the Railway Act (Responsibility for Dislocation Costs), be referred to the Standing Committee on Railways, Canals and Telegraph Lines.

WEDNESDAY, July 3, 1963.

Ordered,—That the name of Mr. Webster be added to the list of members on the Standing Committee on Railways, Canals and Telegraph Lines.

TUESDAY, July 9, 1963.

Ordered,—That the Standing Committee on Railways, Canals and Telegraph Lines be empowered to print such papers and evidence as may be ordered by the Committee and that Standing Order 66 be suspended in relation thereto; and that its quorum be reduced from 20 to 15 members and that Standing Order 65(1)(b) be suspended in relation thereto.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

29502-2—1½

REPORT TO THE HOUSE

TUESDAY, July 9, 1963.

The Standing Committee on Railways, Canals and Telegraph Lines has the honour to present its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print such papers and evidence as may be ordered by the Committee and that Standing Order 66 be suspended in relation thereto;

2. That its quorum be reduced from 20 to 15 members and that Standing Order 65(1)(*b*) be suspended in relation thereto.

Respectfully submitted,

PROSPER BOULANGER,

Chairman.

Note: The said report was concurred in this day, July 9, 1963

MINUTES OF PROCEEDINGS

THURSDAY, July 4, 1963
(1)

The Standing Committee on Railways, Canals and Telegraph Lines met for organization purposes at 12:10 p.m. this day.

Members present: Messrs. Armstrong, Basford, Béchard, Bélanger, Berger, Boulanger, Cantelon, Cowan, Foy, Gauthier, Godin, Greene, Guay, Howe (*Wellington-Huron*), Irvine, Lamb, Leboe, Macaluso, MacEwan, Matte, McBain, McNulty, Pascoe, Rapp, Rideout, Rock, Stenson, Watson (*Chateauguay*), and Watson (*Assiniboia*).—(29)

In attendance and interpreting: Mr. Raymond Robichaud, Parliamentary Interpreter.

The Clerk attending, Mr. Armstrong, seconded by Mr. Béchard, moved that Mr. Boulanger be Chairman of the Committee.

Carried unanimously.

Whereupon Mr. Boulanger having been elected Chairman of the Committee took the chair and expressed his thanks for the honour bestowed upon him. The Chairman asked the Committee if the presence of an interpreter would be required at all meetings and the Committee agreed unanimously.

The reading of the Orders of Reference was dispensed with.

The Chairman then proceeded to the election of a Vice-Chairman.

Mr. Basford, seconded by Mr. Macaluso, moved that Mr. McNulty be Vice-Chairman of this Committee.

Mr. Rapp also moved, seconded by Mr. Pascoe, that Mr. Howe be Vice-Chairman of this Committee.

Thereupon, the Chairman then proceeded to put the first motion first. After a brief discussion, it being agreed upon, and, a recorded vote being taken, Mr. McNulty was declared duly elected Vice-Chairman of the Committee.

On motion of Mr. Howe, seconded by Mr. Macaluso, it was unanimously

Resolved,—That permission be sought to print such papers and evidence as may be ordered by the Committee.

On motion of Mr. Basford, seconded by Mr. Foy, it was unanimously

Resolved,—That the quorum of the Committee be reduced from 20 to 15 members.

On motion of Mr. Macaluso, seconded by Mr. Matte, it was unanimously

Resolved,—That a Sub-Committee on Agenda and Procedure, comprised of the Chairman and six members to be named by him, be appointed.

It was agreed that the four parties would be proportionally represented on the said Sub-Committee: 2 members for the Government, 2 for the Official Opposition, 1 for the Social Credit and 1 for the New Democratic Party.

At 12:23 p.m. the Committee adjourned to the call of the Chair.

M. Roussin,
Acting Clerk of the Committee.

TUESDAY, October 8, 1963.
(2)

The Standing Committee on Railways, Canals and Telegraph Lines met at 9.40 o'clock a.m. this day. The Chairman, Mr. Prosper Boulanger, presiding.

Members present: Messrs. Addison, Asselin (*Notre-Dame-de-Grâce*), Balcer, Beaulé, Béchard, Bell, Berger, Boulanger, Cameron (*Nanaimo*), Cantelon, Crossman, Fisher, Foy, Godin, Granger, Gundlock, Horner (*Acadia*), Howe (*Wellington-Huron*), Irvine, Jorgenson, Lamb, Matte, McBain, McMillan, McNulty, Orlikow, Pascoe, Rapp, Regan, Rhéaume, Rideout, Ryan, Rynard, Smith, Stenson, Watson (*Assiniboia*), Webster.—(37).

In attendance: Mr. F. H. Hall, Chairman of the Negotiating Committee and Executive Assistant to the Grand President of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, assisted by Messrs. A. R. Gibbons, S. Wells, J. Walter, and other officials of the Brotherhoods.

The Chairman opened the meeting by requesting the Clerk of the Committee to read the Minutes of Procedings of the Subcommittee meeting held on October 2, 1963.

On motion of Mr. Foy, seconded by Mr. Balcer,

Resolved,—That the report of the Subcommittee meeting be adopted as read.

Mr. Matte thanked the Committee for supplying its members with the regular service of an interpreter.

The Chairman asked the Clerk of the Committee to read the Orders of Reference, both in English and in French.

The Chairman then advised the Committee to decide, by means of a motion, on the number of copies of the Minutes of Proceedings and Evidence to be printed both in English and in French.

On motion of Mr. Rideout, seconded by Mr. McBain,

Resolved,—That the Committee print 750 copies in English and 300 copies in French of its Minutes of Proceedings and Evidence.

The Chairman welcomed all those attending the meeting, especially the representatives of the different Railway Unions, and invited Mr. Hall to present his brief.

Thereupon, on motion of Mr. Fisher, seconded by Mr. Orlikow,

Resolved,—That the brief and its appendices, presented by Mr. Hall, be inserted in the Minutes of Proceedings, following Mr. Hall's remarks. (See Appendices 1 to 6, both inclusive, in this day's evidence, immediately following the brief presented at page 9).

On motion of Mr. Godin, seconded by Mr. Fisher,

Resolved,—That the report addressed to the present Minister of Transport, as mentioned on page 13 of the English brief, be inserted, as an Appendix to the Minutes of Proceedings and Evidence. (See Appendix "A" at page 36.)

Mr. Hall having been excused, the other officials who accompanied him were questioned.

Mr. Foy, seconded by Mr. Cantelon, moved that the meeting be adjourned.

The question being put, it was on a show of hands, resolved in the affirmative. Yeas, 10; Nays, 6.

At 12.00 o'clock noon, the Committee adjourned to the call of the Chair.

M. Guitard,
Clerk of the Committee.

EVIDENCE

TUESDAY, October 8, 1963.

The CHAIRMAN: Gentlemen, we have a quorum.

I will ask at this point that our secretary read the minutes of the subcommittee on agenda and procedure.

The COMMITTEE CLERK:

The subcommittee on agenda and procedure met at the room of the chairman, Mr. Boulanger, at 9.30 a.m. this day.

Attending: Messrs. Grégoire, Howe, Balcer, Fisher, Foy and Mr. McNulty, the vice-chairman of the committee.

The chairman opened the meeting and the clerk read the minutes of the last meeting of the subcommittee.

Mr. Fisher suggested that he intended to speak on the subject-matter of Bill C-15 at the regular meeting of the committee.

Mr. Gibbons of the National Legislative Committee International Railway Brotherhoods was the only one who had asked to be heard as a witness.

On motion of Mr. Fisher, seconded by Mr. Foy,

Resolved,—That the committee proceed with the resolution adopted by the subcommittee at its meeting on July 18th to the effect that the witnesses be heard by the committee next Tuesday, 8th October, at 9.30 a.m. in room 253D.

The chairman said that he would publish a press release to confirm the date and the place of the committee meeting and that the said press release would be sent to the Canadian press.

The committee also agreed that the Minister of Transport and the board of transport commissioners should also be informed of the meeting.

The meeting adjourned at 9.50 a.m. to the call of the Chair.

The CHAIRMAN: Shall we adopt this report?

Moved by Mr. Foy, seconded by Mr. Balcer.

Motion agreed to.

It has been ordered by the committee that there will be a translator. We will ask him to translate our proceedings. Mr. Matte expressed the wish that this be done. He also requested that we should thank the committee for having decided to do so.

Now, I believe we should have our order of reference read by the committee clerk, or this may be dispensed with if you wish.

Mr. FOY: I think it should be read.

The COMMITTEE CLERK:

Thursday, June 27, 1963. Ordered that the subject-matter of Bill C-15, An Act to amend the Railway Act, be referred to the Standing Committee on Railways, Canals and Telegraph Lines.

The CHAIRMAN: It has been customary for this committee to print its minutes of proceedings and evidence. This will have to be decided by means of a motion in respect of the number of copies to be printed both in French and in English. If you wish a guide as to what has been done in the past, during 1962,

this committee printed 750 copies in English and 300 copies in French of its minutes of proceedings and evidence. However, if you wish we might decide to print more or fewer copies. I am ready to entertain a motion.

Mr. RIDEOUT: I would move that the same procedure be followed; that is that we print 300 copies in French and 750 copies in English.

Seconded by Mr. McBain. Motion agreed to.

Mr. RIDEOUT: Mr. Chairman, might we have the bill distributed?

The CHAIRMAN: Gentlemen, first let me tell you it is a pleasure to me to welcome to this meeting this morning Mr. Frank Hall, chairman of the negotiating committee and executive assistant to the grand president of the Brotherhood of Railway and Steamship Clerks, Freight handlers, Express and Station Employees, and Mr. Marc T. MacNeil, public relations officer of the Canadian Pacific Railway Company. I hope that you will find this inquiry to be something that you are happy about. You are here as witnesses and so long as you are on the stand you are allowed to say what you like and express your views. As I said, we have the services of a translator, and if some of you feel that my English is not too good, do not be ashamed to say it. We can always ask the translator to make it better.

Now, before I invite these gentlemen to address the meeting, I would like to ask Mr. Douglas Fisher to say a few words in his capacity as sponsor of Bill C-15, the subject-matter of which is before you for consideration.

Is it the pleasure of the committee to hear Mr. Fisher?

Agreed.

Mr. FISHER: Mr. Chairman and members of the committee, the national executive committee of the International Railway Brotherhood, for a number of years, has been presenting a request to the cabinet that it should have the opportunity of seeing the Railway Act amended, and in particular section 182. The terms in detail in connection with this amendment were put to the cabinet in a submission of February 2, 1960, although for several years before that presentations had also been made which had been followed up from year to year.

Last year, when the previous government was in office, the negotiating committee was given an undertaking by the Minister of Transport, the member for Trois-Rivieres, who is with us today, that this matter would be referred to a committee. That is, if parliament had not been dissolved, I assume it would have been followed up. The very same thing would have happened on the government's initiative as is taking place here today; that is, the subject-matter of section 182, and the intention to amend it so as to make more specific the responsibility which falls upon the railways in the event of change or dislocation or railway employment would be considered. I wish to have this brought to the attention of the members in order to show that this is not just a lone or individual idea. When the house was kind enough to refer the subject-matter to the committee, I approached the gentlemen in the unions represented by the national legislative committee and asked them if they would be sure to make representations, and as a consequence they have done much more than prepare their own representations, they have gotten together with all the railway unions—to my knowledge every union that has employees on the railways—and they have come here to make a joint presentation. They have prepared their brief in English and French, and it gives the committee the argument in an up-to-the-minute way, taking care of all the factors that I might have touched on briefly if I were trying to make the committee sympathetic to the subject-matter, and the intention that is involved in the bill; that is, that the act should be amended to the general purpose of giving the railway workers more security.

There is nothing more I would like to say except to express my appreciation of the fact that all the unions on the railways have gotten together. I might point out to the members that this is an unusual occasion. I do not mean to suggest that there has not been a great deal of co-operation among the railway unions, but it is very rarely that the non-operating unions and the running trades unions get together in such a pointed purpose. Therefore, I hope this committee will give a good hearing to Mr. Hall as he presents this brief. I think he will indicate the persons who are with him and who will be associated with the brief and be prepared to answer questions, and take the discussion further.

I might add that it is very difficult to prepare an amendment to the Railway Act without considering some of the other legislation that is on the books, particularly the Canadian National-Canadian Pacific Act. I would hope that the questioning by the members and the presentation by the unions would lead into this.

One of the advantages of having a presentation before a committee like this rather than having the process of going through the cabinet is that it gives an opportunity out in the open to express points of view.

Thank you very much.

Mr. BALCER: Before we go any further, I would like to confirm what Mr. Fisher has said about the former government. We took the decision at the time and told the Railway Brotherhood we would make sure that this matter would be brought before a committee. The government intended to do that if some unhappy events had not occurred.

The CHAIRMAN: I will now ask Mr. Hall to give us the presentation.

Mr. FOY: Mr. Chairman, might I ask if Mr. Hall could make his introductory remarks and then continue to read the text of the brief, and afterwards we might take it up item by item so that all members of the committee will have a clear understanding and an opportunity to ask the questions they have in mind.

The CHAIRMAN: Is that agreeable to the committee?

Agreed.

Mr. BALCER: Mr. Chairman, this morning I received a French copy of the brief. It might save time if the French copies could be distributed so that we might not have to have a translation as it is being read.

The CHAIRMAN: Is that agreeable?

Agreed.

Mr. FRANK HALL (*Chairman of the Negotiating Committee and Executive Assistant to the Grand President of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees*): Mr. Chairman and members of the committee. I would like to thank you for the opportunity of being here, and I would like to express thanks to Mr. Fisher for his remarks this morning.

I should like to commence if I may, preliminary to reading this brief which is a joint submission of the national committee of the running trades and non-operating, so-called, railway unions, by making a statement as to the situation I find myself in, and I would like to extend an apology to you on this account.

I am a member of the executive council of the Canadian Labour Congress which is presently in session dealing with the maritime matter which has been one of special public and parliamentary discussion, and because of this I will have to retire as soon as I have read this brief. I am making this statement

because I do not want you, Mr. Chairman, or the members of the committee, to think I am discourteous in leaving the room after the brief has been submitted. I am sort of on a leave of absence this morning, as it were, from the work of the executive council of the Canadian Labour Congress.

Mr. Chairman and hon. members, the associated railway unions are pleased that this committee is considering Bill C-15, to amend the Railway Act and are gratified for the invitation to appear in support of it.

I have a number of very able colleagues with me who will be very glad to discuss any matter with you which might arise from this presentation concerning which you might desire enlightenment.

The organizations take no credit for the proposed amendment, but it is fair to say that in one way or another, the employees have been trying to obtain similar legislation since 1958. Over the past decade or so the effect of automation and technological change in general on railway employment has been greater than in any other Canadian industry, by far. In fact, the structural changes which have occurred, and are occurring, can only properly be described as revolutionary, with human consequences so profound that legislation of the kind embodied in Bill C-15 is essential.

Although concern about the proper legal interpretation of section 182 of the act had existed for some time previous, the need to rewrite the legislation only became certain when two judges of the calibre of Mr. Justice Rand and Mr. Justice Cartwright of the Supreme Court of Canada were unable to agree upon its meaning. We shall therefore begin by summarizing briefly the developments which have preceded the introduction of Bill C-15:

> Section 182 of the Railway Act (R. S. C. 1952, c. 234) provides as follows:
>
> The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with, nor remove, close or abandon any station, or divisional point nor create a new divisional point that would involve the removal of employees, without leave of the board; and where any such change is made the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence necessitated thereby.

(Section 181 referred to above and section 168 dealing with abandonments may be found in appendix 1.)

To us, it seems that the common sense meaning of section 182 can be expressed in the same words used in the explanatory notes describing Bill C-15:

> ...to provide that railway employees, who lose their employment as a result of changes beneficial to a railway, shall be compensated by that railway for the cost of rehabilitating themselves with new skills that are saleable in the labour market; for the cost of removal expenses to a new job, pension compensation for early retirement, if that is the better plan; and such other compensation as the board deems best for the restitution of the discharged employee.

When the board of transport commissioners, on January 10, 1957, granted leave to the Ottawa and New York Railway Company to abandon operation of the line of railway between Ottawa and the international boundary, near Cornwall, Ontario, the employees approached the board for compensation under section 182. Three commissioners heard the case and while two of them supported our contention, the third, the assistant chief commissioner, held that the employees did not have a legal right to compensation for financial loss, and this view prevailed under section 12 (2) of the Railway Act.

(The board's order for abandonment, its decision relating to section 182, and section 12 (2) of the Railway Act may be found in appendix 2.)

Having obtained what was felt to be a moral victory, the employees subsequently appealed the decision of the board to the Supreme Court of Canada but it was there upheld by a majority, with Mr. Justice Cartwright dissenting. The conclusion which prevailed in the court was that compensation can be claimed under section 182 of the act only when there have been changes that affect employment in a line that exists and which will continue to exist after the changes have been completed. Outright abandonment or discontinuance of a line requires prior approval under section 168 of the act but no compensation is payable to the employees affected. On the other hand, Mr. Justice Cartwright said that:

> The claim of the employees appears to me to fall within the words of the section construed in their ordinary meaning.

(These contradictory judgments may be found quoted at greater length in appendix 3.)

We have spoken of a technological revolution affecting railway employment. For all of the main categories of employment on the railways, the average number of persons at work during the year tended to rise between 1945 and 1952, but in most cases 1952 remains at or very near the peak year of employment. During the next ten year period, 1952 to 1962, employment among non-management classes fell 28 per cent over-all. This figure is derived by taking an appropriate average of the ten year rate of change in the following categories: —49 per cent in maintenance of equipment; —34 per cent in way and structures; —28 per cent among "non-operating" personnel directly engaged in transportation; —23 per cent among the "running" trades; —18 per cent in the general category; +30 per cent for persons engaged in communications, express, cartages and highway transport (rail). These are extraordinary declines. Extraordinary or not, however, had the deterioration in railway employment simply been one part of a general picture, our claim for compensation would perhaps not be so justified. But over the same period of time that these declines were taking place, total non-farm employment rose by 30 per cent, including individual component increases of 18 per cent in manufacturing; 6 per cent in all transportation; 27 per cent in construction; and 68 per cent in the general service group.

The image that is reflected by such radically different histories as this has to be an impressive expression of the hardship experienced by railway employees and their families during the fifties and early sixties, but the picture may be made even clearer if we focus our attention upon the manufacturing group and the so-called non-operating trades of the railways (the term "non-operating" refers to all employees not directly engaged in running the trains.) We have already noted that employment in manufacturing rose 18 per cent between 1952 and 1962; during the same period, employment for the non-operating group as a whole fell 33 per cent. To a very considerable extent, the kind of skills and amount of training required in these two major industries are the same, and in both industries a relatively large proportion of the employees are very highly skilled with long periods of training or apprenticeship in their backgrounds. Yet during a period when the demand for these services was expanding in manufacturing industries, it was declining so sharply on the railways that even those men with the strong commitment to their company and their community that is born of long service records were finding themselves out of work. Attachments of this sort are both social and economic and are all too often underestimated, especially on the railways where the sense of family identification has, in the past been just about as strong as in any of the primary industries.

Long-service employees who lose their jobs on the railway may be divided into two groups: those who have an opportunity to transfer to some other point in their seniority district, and those for whom no railway work is available. Persons in the first group must decide whether it is better for them to give up their pension rights and medical benefits in hope of finding a new job in the town which they know and where they are known or, for the sake of job continuity, to sell their home or break their lease and make the move to a new town in order to take a job with less responsibility and lower pay and carrying no guarantee of any sort of permanence. When the program to enlarge existing seniority districts now under discussion between the railways and the non-operating trades is completed, the increased travel time that may be necessary to hold seniority will make this problem even greater, but so long as the railways continue their present practice of providing rail transportation for household effects, such persons will continue to have at least that advantage over employees unable to hold their seniority. We of course do appreciate even the limited benefits which the companies extend, but the need for a relocation service by employees who have lost their jobs after exercising all seniority rights is certainly at least as great as for employees who are only being transferred. In fact, because railway employment is more widely distributed geopraphically than most other occupations with similar skilled requirements, railway workers who become unemployed will more than likely be forced to look elsewhere for new employment. For many who have just lost their source of income after some years of service, this means abandoning all hope of a return to railway employment and thereby any hope of regaining their accumulated fringe benefit rights. It means hurried selling of property, the cutting of other ties, and moving to some place where employment opportunities are probably an unknown quantity. For others it means all of this and the learning of a new trade too.

In recent years the conversion to diesel power has undoubtedly been the most pervasive factor affecting railway employment. Growth of trucking, pipelines and the St. Lawrence seaway have also contributed to the decline in jobs but were of lesser importance. Probabilities are that all will have a diminished influence throughout the next decade but other labour-saving, productivity-increasing programs either under way or in the works will rise to fill the gap to a greater or lesser degree. These new programs will tend to affect all classes of railway labour but the incidence of the dislocation will of course depend upon the particular case, as may be seen from the following descriptions:

Reduction of Service or Outright Abandonment of Branch Lines

Although not a new development, this has lately received more publicity than any other program, particularly in regard to its impression on the western provinces. As part of a growing and changing economy it is, of course, often necessary for the railways to reduce their scale of operations in one region while expanding them in another, but in the last year or two, in evident anticipation of legislation based on the McPherson report, there has been a sharp increase in the number of applications to abandon branch lines and curtail freight and passenger services. Thus, for example, the C.P.R. told the MacPherson commission that it may want to abandon as much as 2,500 miles of track in the prairie provinces, and Saskatchewan has estimated that in that province alone altogether 2,600 miles of line serving one-third of the cultivated acreage may be considered for abandonment. In the first instance, abandonments and curtailment of service only reduce employment by the number of persons directly engaged in operating and maintaining line and equipment at the points in question: engineers, trainmen, clerks, freight handlers, maintenance of way and shop craft employees, station agents, express messengers, etc. But abandonments also act as a lever to create further layoffs, that is, the combination of

zero traffic from abandoned lines, reduced traffic from lines where service has been reduced, and the smaller volume of line and equipment repair work, inevitably means that main-line employment will decline as well. We have already discussed some of the personal hardship borne by disemployed railway workers and their families, but nowhere have the human consequences of abandonment been better expressed than in an oral judgment delivered in Nova Scotia in July, 1961, by Rod. Kerr, Q.C., chief commissioner of the board of transport commissioners:

> Our main concern, and it is a very serious concern for us, is the undoubted hardship that will result to the employees who will lose employment as a result of abandonment. It is not a condition however that we can control. We all know that this area has suffered as a result of declining employment and it will be very hard for those people who lose their employment as a result of abandonment of this line to readily find other employment. We wish it were otherwise. We wish other employment were available that would enable them to stay home where they have made their homes. But, as I said, we are not masters of that situation, we cannot control it.

Of course we do not mean to imply that lines can never be uneconomic, or that they should not ever be abandoned or contracted, but we do think that the affected employees are entitled to the protection of an operative section 182. Yet consider the following: for the years 1956 to 1962 inclusive the railways were granted authority by the board to remove a total of 483 station agents across Canada. Of this number 217 were on the Canadian National, 224 on the Canadian Pacific and 42 on other railways. In virtually all of these cases the Board's ruling has included permission to replace the agent with a caretaker so that there has been no closure or abandonment for purposes of section 182 and therefore none of the displaced employees are entitled to benefit. Subsequently a further application is generally made to remove the caretaker who, having been employed on contract, is not an employee of the railway under section 182.

Terminal run-throughs

This is a very recent organizational innovation which exerts its main impact upon engineers, conductors, firemen, trainmen—that is, the running trades—railroad telegraphers, clerks and those non-ops engaged at terminal yards in the maintenance of way and equipment. In the final analysis, terminal run-throughs are a consequence of the introduction of diesels to regular service and a general improvement in the quality of railroad equipment, both of which permit longer periods of continuous travel time between service checks.

Run-throughs mean both lower employment and relocational problems for the running trades but neither falls within the terms of the present section 182. In the short term there is no loss of jobs as such, but employees and their families living at the eliminated stopping points must often move to one of the remaining terminals in order to hold their positions. Over a longer period, some operating personnel will be laid off simply as a result of the reduced volume of business and the extension of runs. We are convinced that run-throughs lower the operating efficiency of the running trades to a dangerous level but the policy originated with the companies and we are not naive enough to expect the practice to be discontinued. At the same time, however, it is surely not untoward of us to ask that this situation also be embraced by section 182.

With regard to non-operating employees who lose their jobs because of run-throughs, it is interesting to recall the interpretation which the Supreme Court applied to section 182. According to the court, section 182 can be invoked only when a railway has been given permission by the board to remove, close,

or abandon a station or divisional point, but where the line itself has not been abandoned (in which case section 182 is deemed not to apply). Run-throughs then might seem to be a nearly ideal situation for section 182 since the elimination of some stops means closing terminal yards at those points plus the loss of three or four telegraph operator positions in each case, but no line abandonment. On the contrary, however, no such claims have been possible, because in each case the companies have retained the Agent so the station is not, in fact, closed or abandoned. It cannot as yet be demonstrated, but this procedure has all the earmarks of a variation on, or prelude to, the technique used in connection with the removal of station agents and which we have already described.

Extension of Section Limits and Mechanization of Work Equipment

For maintenance purposes railway track has always been divided into sections, each of which is tended by a section gang with a fixed headquarters. The men live at or in the vicinity of the section headquarters. Extra gangs, district, divisional and system gangs are much larger crews whose territories range over more than one or a number of sections and whose work supplements that of the section gangs. Progressive mechanization of the techniques of maintaining track, roadbed and other structures and equipment have resulted in sharp increases in labour productivity and the length of track section that can be serviced by each gang. Besides motorized transport, important changes here include burro cranes, tamping machines, ballast regulators, weed mowers, spreader-ditchers, treated ties, heavier rails and crushed rock ballast. Where formerly 175 men were used in a gang, the same amount and better quality of work can now be achieved with 80 men. This has led to the complete or partial abolishment of many section gangs and therefore a serious loss of employment under circumstances where section 182 in its present form clearly has no application. Available data doesn't distinguish the loss in employment due to the extension of sections from that due to other causes such as branch line abandonment, centralized traffic control, and so on, but it certainly explains a part of the reason for the loss of nearly 1,300 section foremen and more than 4,900 sectionmen on the Canadian National and Canadian Pacific Railways between 1952 and 1962.

Centralized Traffic Control or C.T.C., as it is known, is an innovation which is still largely confined to the Canadian National at the present time. Essentially it is a method whereby the old "train order" system of directing train movements through successive subdivisions is replaced by a master panel that reproduces a whole region in miniature and controls the traffic flow by means of signals and power-operated switches. The employment decline directly linked to C.T.C. occurs among telegraphers, where up to twenty-one positions per subdivision have been lost through its introduction. Layoffs have not been restricted to telegraphers, however. For C.T.C. to be economical, it is necessary to combine it with a simultaneous reduction in maintenance costs and this has been done by replacing double track in C.T.C. areas by single track. Of course this has added to the remarkable fall in maintenance of way and structures' employment that we have already noted. Again section 182 has no application either for telegraphers or maintenance people because once again there are no actual station closings involved.

Master Agency Plan

Like C.T.C., this program has thus far been confined to Canadian National as part of a plan to integrate the express and less-than-carload-lots of freight service, although the express freight service itself has also been introduced on the Canadian Pacific. The master agency is a central station handling the express, freight, waybilling and accounting for a large number of station agencies and it may also incorporate passenger sales and communications. In

Moncton, New Brunswick, and Edmonton, Alberta, the master agency encompasses 22 and 27 station agencies, respectively, and the railway has said that of these 18 will eventually be removed in the Moncton region and 22 in the Edmonton area. In the works is a master agency in the great lakes region involving 225 open station agencies.

Points previously served by these stations are linked with the master agency by trucks and buses so that there will be a decline in all classes of employment directly involved with the rail operations. Nevertheless, there has been as yet no question of any liability under section 182 since now redundant station agents are being retained on full salary at least for the present. Considering that their telegraph wires have been removed and that they have been instructed not to provide any service to the public whatever, we assume that the two stage closing—agent to caretaker to nobody—will soon be repeated.

Automatic humpyards are perhaps the nearest approach to complete automation of a specific operation yet introduced in the whole railway industry. Once again Canadian National has done most of the experimenting. The first automatic humpyard was built in Montreal by the Canadian Pacific in 1949; since then the Canadian National has built larger and more advanced yards in Moncton in 1960, Montreal, and Winnipeg, and others are either planned or under construction. Railway yards are used to switch and reallocate all incoming and outgoing rail cars into the various classifications of track. Whereas this has to be done manually in the older type yard, once the cars are pushed up the "hump" in the automatic humpyard they are uncoupled and automatically directed and controlled downhill by television, radar, radio, computers and centralized traffic control. When operating properly, train make-up time is supposed to be markedly reduced, allowing a larger number of cars to be handled. But the profile of yard employment is drastically altered. Automatic humpyards result in additional requirements for supervisory personnel and for persons employed in repair and maintenance of signal and communications equipment. There is less demand for engineers, firemen, yard crews, switch tenders and car checkers. Needless to say, none of these people are eligible for compensation under section 182 in its present form.

Mechanization of Office Procedures

Although it is only one part of the process of technological change that has been taking place on the railways, the use of computers and mechanical tabulators in the administration departments probably comes closer than anything else to matching the picture of automation held by most people. To take the experience of the C.P.R. as an example, seven of the eight existing accounting offices were gradually mechanized over a period of some years and then during 1959 and 1960 four of the eight were eliminated entirely at Moose Jaw, Calgary, Saint John and North Bay, with their functions absorbed by the four which remained at Vancouver, Winnipeg, Toronto and Montreal. Approximately fifty per cent of the staff at the abandoned centres were transferred to other points while the remainder were laid off or unwilling to accept transfer. Of course none was eligible for compensation under section 182.

Amalgamation of Commercial Telegraph Offices

This is a procedure to which the railways have reverted intermittently for the past forty years. In 1934, legislation to amalgamate the telegraph services of the two major railways was introduced into the House of Commons at the request of the presidents of the Canadian National and Canadian

Pacific Railways but was withdrawn in the face of a tremendous public outcry. More recently they have tried to accomplish the same end on a piecemeal basis by applying to the board for consolidation of individual offices at Fort William, Sault Ste. Marie, Port Arthur and Cornwall, in Ontario. Although the direct employment effect in each case has been small, it will increase as this plan of amalgamation continues. In these cases, neither section 182 nor the Canadian National-Canadian Pacific Act can be invoked.

This about completes the list of labour-saving programs now known to be underway on the railways. Except for one or two comments offered in passing, we have made no attempt to judge them from any view other than their effect on railway employment, since the question of how to evaluate any of these changes has really no direct bearing on the principle embodied in Bill C-15. Still, we would be dismayed if anyone were to assume that we were either automatically opposed or automatically in favour of any particular program. More than most people, probably, we have a vested interest in a viable and efficient railroad industry, and in the long run, of course, a higher standard of living depends upon output per person. At the same time, a blindly inward-looking pursuit by the railways of more ton-miles per man-hour can be shortsighted and may only serve to depress the economy by more than any direct gain that might accrue to the railway itself. Branch line abandonments and the master agency plan are obvious examples of a possible conflict between private and public measures of efficiency. If the agency rumoured to be established this fall to preside over abandonments and to hear the objections of interested parties does no more than that, it will contribute nothing new to public policy since the board of transport commissioners performs this duty already; a new agency should be given sufficient resources and freedom of action to undertake detailed studies of any major innovation before it receives general introduction. (An expanded expression of our views in this area has earlier been given to the present Minister of Transport and can be made available if anyone so wishes.)

Failing to obtain redress under section 182, the employees have looked for other approaches to the problem created by automation, but without too much success. Probably the best known of these has been the so-called "job security fund" which was established by a federal conciliation board under Mr. Justice Munroe of British Columbia, in mid-1962. The fund applies only to non-operating employees, and each of the seven railways has its own fund to which it contributes one cent for each hour worked by employees under the agreement. More than a year later all of the terms have still not been settled, but when they are, many employees who are laid off despite respectable service records will not be eligible for benefit, while those who are eligible will likely receive less than fifteen dollars a week for only a very limited number of weeks. And of course there is now no such fund for any of the running trades.

Finally, the associated railway unions would like to say that while they are indeed highly pleased with the spirit of Bill C-15, they are concerned that it may permit of just the same kind of misunderstanding as the legislation it is intended to replace. It would surely be most unfortunate if this were allowed to happen.

Bill C-15 inserts the phrase "or the loss of employment on the railway by an employee" into the middle of line twelve and "or loss of employment" into line 17 of section 182. But the weakness of section 182 lies not so much in a lack of concern about loss of employment but in its definition of "change, alteration or deviation in the railway." Therefore the employees respectfully suggest that the bill should be less specific with regard to the exact conditions under which the loss of employment takes place, and that this could be accomplished with only minor changes in Bill C-15 to read as follows:

182. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with; and where any such change, alteration or deviation that would involve the removal of employees or the loss of employment on the railway by an employee either directly or through the exercise of seniority is made, the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence or loss of employment necessitated thereby.

It is further suggested very respectfully that the present legislation puts a considerable responsibility upon the board, and therefore that where there is loss of employment this committee should specify payment of an adjustment allowance similar to that which parliament has already provided in the Canadian National-Canadian Pacific Act for employees affected by co-operation between the two companies.

APPENDIX 1

The Railway Act (R. S. C. 1952, c. 234)

Deviations, Changes and Removal—Section 181

(1) If any deviation, change or alteration is required by the company to be made in the railway, or any portion thereof, as already constructed, or as merely located and sanctioned, a plan, profile and book of reference of the portion of such railway proposed to be changed, showing the deviation, change or alteration proposed to be made, shall, in like manner as hereinbefore provided with respect to the original plan, profile and book of reference, be submitted for the approval of the Board, and may be sanctioned by the Board.

(2) The plan, profile and book of reference of the portion of such railway so proposed to be changed shall, when so sanctioned, be deposited and dealt with as hereinbefore provided with respect to such original plan, profile and book of reference.

(3) The company may thereupon make such deviation, change or alteration, and all the provisions of this Act apply to the portion of such line of railway, at any time so changed or proposed to be changed, in the same manner as they apply to the original line.

(4) The Board may, either by general regulation, or in any particular case, exempt the company from submitting the plan, profile and book of reference, as in this section provided, where such deviation, change, or alteration, is made, or to be made, for the purpose of lessening a curve, reducing a gradient, or otherwise benefitting the railway, or for any other purpose of public advantage, as may seem to the Board expedient, if such deviation, change or alteration does not exceed three hundred feet from the centre line of the railway, located, or constructed, in accordance with the plans, profiles and books of reference deposited with the Board under this Act.

(5) Nothing in this section shall be taken to authorize any extension of the railway beyond the terminii mentioned in the Special Act.

General Powers—Section 168

The company may abandon the operation of any line of railway with the approval of the Board, and no company shall abandon the operation of any line of railway without such approval.

APPENDIX 2

53rd Report of Board of Transport Commissioners for Canada for the year ended December 31, 1957 (p. 26)

Application of New York Central Railroad Company for leave to abandon its Cornwall-Ottawa Line, 74 C. R. T. C. 334; 46 J. O. R. & R. 417.

The New York Central Railroad Company and the Ottawa and New York Railway Company applied for leave to abandon operation of their line of railway extending from the United States-Canadian boundary, near Cornwall, to Ottawa, approximately 58 miles. Before hearing the application the Board, in accordance with its usual practice, caused an inspection of the line to be made by officers of its Engineering and Operating Branches who made a report to the Board. At a subsequent hearing the company satisfied the Board that a bridge on the railway which spanned the south channel of the St. Lawrence River would be removed in the construction of the St. Lawrence Seaway and that the expenditure required to relocate the railway line to continue its operation would not be economically justified. The Board also found that operation of the line only between Cornwall and Ottawa would result in a continuous revenue deficit and although the abandonment would cause some inconvenience to the public there was not enough traffic on the line to warrant the Board refusing to grant the application. Order No. 90648, dated January 10, 1957, was issued accordingly authorizing abandonment of operation as of February 15, 1957. An application on behalf of the employees of the New York Central Railroad Company in respect of compensation was reserved for further consideration.

Brotherhoods of Railway Employees v. New York Central Railroad Company, 75 C. R. T. C. 22; 47 J. O. R. & R. 55.

In connection with the abandonment of operation of the New York Central Railway line between Cornwall and Ottawa, above mentioned, an application was made on behalf of certain railway employees claiming that the New York Central was required under section 182 of the Railway Act to compensate them for financial loss caused to them by abandonment of the line. The Assistant Chief Commissioner held that the employees did not have a legal right under the Railway Act to compensation for financial loss caused to them by change of residence necessitated by the abandonment of operation of the line, or consequential closing and abandonment of stations and divisional points thereon, authorized by the Board under its Order No. 90648. The Deputy Chief Commissioner and Mr. Commissioner Chase dissented from this conclusion of the Assistant Chief Commissioner, but as the question was one of law the opinion of the Assistant Chief Commissioner prevailed pursuant to section 12(2) of the Railway Act.

The Railway Act (R. S. C. 1952, c. 234)

Constitution—Section 12

(2) The Chief Commissioner, when present, shall preside and the Assistant Chief Commissioner, when present, in the absence of the Chief Commissioner, shall preside, and the opinion of either of them upon any question arising when he is presiding, which in the opinion of the commissioners is a question of law, shall prevail.

APPENDIX 3

Mr. Justice Cartwright:

The Claim of the employees appears to me to fall within the words of the section construed in their ordinary meaning. The Company has in fact removed, closed or abandoned every station and divisional point which was situate on the abandoned line. Those of its employees previously employed at any station or divisional point thereon who have been retained in its employment have been removed to other situations in its railway system and it has been necessary for them to change their residence. The section does not appear to have been drafted by a meticulous grammarian; but it is reasonably plain that what is conditionally forbidden by that part of the section commencing with the words "nor remove" in the fourth line, and, if permitted, gives rise to the right to compensation is such a removal, closure, or abandonment of a station or divisional point as would involve the removal of employees and necessitate a change of their residence.

The learned Assistant Chief Commissioner has held in effect that the words of s. 182, last referred to above, touch such removals, closures, or abandonments as are consequent on deviations, changes or alterations made pursuant to s. 181 or occur in situations other than the abandonment of the operation of a line, but do not touch removals, closures or abandonments consequent on an abandonment made pursuant to s. 168. I am unable to find any sufficient reason for this differentiation. The words "remove", "close" and "abandon" are not defined in the Act nor are they terms of art. In their ordinary meaning they describe the action taken by the respondent in regard to the stations on the abandoned line. The effect upon the class for whose benefit the part of the section under consideration was passed, i.e., employees retained in a company's service and moved by reason of the abandonment of a station, is the same whether the portion of the line on which the station was situate is continued in its existing location or is abandoned or is relocated. In one sense every relocation of part of a railway involves and abandonment of the part from which the relocated line is substituted and in principle there is little difference between on the one hand abandoning altogether a line which forms only a fraction of one per cent of a company's total system and on the other hand, removing it and substituting for it a line in a different location. In either case there is a change "in the railway" viewed as a whole.

In my opinion, neither the arrangement of the sections in the Railway Act nor the history of the legislation furnishes sufficient reason for failing to give to the words of the section what appears to me to be their plain and ordinary meaning.

Mr. Justice Maitland (Mr. Justice Locke and Mr. Justice Abbott concurring):

(ss 168 and 182 of the *Railway Act*)

The contention of the appellants is that these two sections can be read together, the former being for the protection of the public and the latter for the protection of railway employees. It was argued that s. 182 is divided into two parts, the first part dealing with any change alteration or deviation in the railway, and the second part dealing with the removal, closing or abandoning of any station or divisional point. It was argued that if, as a result of the abandonment of a line, made pursuant to s. 168, any station or divisional point were removed, closed or abandoned, compensation became payable under s. 182.

The contention of the respondent is that the words "any such change," which follow the semi-colon in s. 182, must relate back to the words "change, alteration or deviation" at the beginning of the section. Compensation is only payable under s. 182 if there has been a change, alteration or deviation of the kind contemplated by s. 181, which section is specifically referred to in s. 182.

In the determination of this issue, the historical development of the section which is now s. 182 is of significance.

Section 120 of The Railway Act, c. 29 of 1888, made provision for a change of location of a line of railway in any particular part, for the purpose of lessening a curve, reducing a gradient or otherwise benefitting such line of railway, or for any other purpose of public advantage, with the approval of the Railway Committee. All provisions of the Act were to apply as fully to the part of the line so changed as to the original line.

In 1900, by c. 23, it was provided in s. 117 of the Act that:

> 117. Except in accordance with the provisions of section 120 or 130, no deviation shall be made from the located line of railway, or from the places assigned thereto in the map or plan and book of reference sanctioned by the Minister under the provisions of section 124.

Section 120 is the section of the Act previously mentioned. Section 130 required the submission, for the sanction of the Railway Committee, of a map or plan and profile of the section of railway proposed to be altered and a book of reference.

In 1903, by c. 58, it was provided in s. 131 as follows:

> 131. The company shall not commence the construction of the railway, or any section or portion thereof, until the provisions of sections 123 and 124 are fully complied with; and shall not make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with.

The "last preceding section", i.e., s. 130, contained provisions similar to the present s. 181 of the Act, requiring the submission, for the sanction of the Board, of a plan, profile and book of reference of the portion of the railway proposed to be changed.

Changes, alterations or deviations of the railway were dealt with in a separate subsection (subs. 2 of s. 168) in the Railway Act, c. 37, R.S.C. 1906, which read:

> 2. The company shall not make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with.

Again the reference to the "last preceding section" (s. 167) is to be a section in like terms to those of s. 181 of the present Act.

In 1913, by c. 44, the following was submitted for subs. 2 of s. 168:

> 2. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, or remove, close, or abandon any station or divisional point without leave of the Board, and where a change is made in the location of a divisional point the company shall compensate its employees as the Board deems proper for any financial loss caused to them by change of residence necessitated thereby.

In 1919, c. 68, the section in question became s. 179 and read as follows:

> 179. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, or remove, close, or abandon any station, or divisional point or create a new divisional point which would involve the removal of employees, without leave of the Board; and where any such change is made the company shall compensate its employees as the Board deems proper for any financial loss caused by change of residence necessitated thereby.

The section, in c. 170, R.S.C. 1927, read as follows, and substantially in the same form as s. 182 of the present Act:

> 179. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, nor remove, close, or abandon any station, or divisional point nor create a new divisional point which would involve the removal of employees, without leave of the Board; and where any such change is made the company shall compensate its employees as the Board deems proper for any financial loss caused to them by change of residence necessitated thereby.

The significance of this historical development is that, initially, no reference is made in it to the subject of compensation. Later, compensation is referred to in the section, but as a part of that section. The 1913 amendment provided for compensation "where a change is made in the location of a divisional point." The 1919 amendment brought the section, substantially, into its present form and enlarged the scope of its provision as to compensation.

Section 168 was first enacted (then as s. 165A) in 1933.

Prior to that year railway companies could, unless there were a contractual or statutory duty to continue operations, abandon the operation of the whole or any part of their lines without the approval of the Board.

It should be noted that s. 168 appears in the Act as one of a group of sections headed "General Powers" under a main heading "POWERS—CONSTRUCTION OF RAILWAYS" Section 182, together with s. 181, is under the heading "Deviations, Changes and Removal" under a main heading "LOCATION OF LINE."

In the light of the foregoing, it appears to me that the compensation provisions of s. 182 were intended to provide for financial loss caused to employees by a change of residence necessitated by the decision of a railway company to make a change, alteration or deviation in its lines or to remove, close or abandon any station or divisional point or create a new divisional point on such lines. The first reference to compensation appears as an addition to a section dealing with change, alteration or deviation in a railway. The present compensation provisions appear in the section which deals with that subject matter.

At the time the compensation provisions were being added to the sections which preceded s. 182, and were being increased, there was no provision requiring the approval of the Board to the abandonment of a line.

My conclusion is that the compensation provisions of s. 182 are a part of a section which deals only with change, alteration or deviation of an existing and continuing line and with the removal, closing or abandonment of any station or divisional point and the creation of a new divisional point upon such a line. Abandonment of a line, on the other hand, is dealt with as a separate matter under the Act. The line is discontinued. The approval of the Board is required under s. 168 but no compensation is payable.

I would, therefore, dismiss the appeal without costs.

Mr. JUSTICE RAND:

Both in 1933 and in 1939 the question of compensation was present in the mind of the draftsman of the legislation and yet there is not a word in either statute or in the Railway Act by which compensation resulting from abandonment, apart from a "measure, plan or arrangement" between the two systems, is provided for. If that had been the intention in relation to either the Canadian National, the Canadian Pacific, or any other railway acting independently under s. 168, it would have been the simplest matter to provide so. It could have been done by the mere statement that the provisions of s. 182 shall be deemed to apply, where the facts warrant it, to abandonments under s. 168; but that step was carefully avoided. The case is one in which a feature of compensation had not been brought within a statutory provision and this Court is powerless to supply it.

APPENDIX 4

Annual Employment

(Average of 12 Months)

CN-CP	1946	1950	1952	1954	1956	1958	1960	1962
General	22,420	23,314	25,814	24,872	24,238	23,381	21,849	21,148
Way & Structures	34,276	35,438	38,960	32,774	35,631	32,262	28,948	25,779
Equipment	38,501	41,800	50,275	42,309	42,544	34,514	28,404	25,445
Transportation 1 ..	18,858	18,601	20,692	19,467	20,620	18,053	17,176	15,912
Transportation 2 ..	27,012	29,523	31,942	29,820	32,473	28,022	25,146	23,084
Other	11,045	13,017	15,671	15,876	23,275	21,994	20,933	20,296
Total	152,112	161,693	183,354	166,118	178,781	158,226	142,456	131,664
Non-farm total (000's)	3,480	3,958	4,273	4,365	4,809	4,983	5,280	5,564
Manufacturing (000's)	1,214	1,316	1,333	1,326	1,435	1,459	1,470	1,567
Construction (000's)	224	331	338	334	412	427	418	429
Transporation (000's)	344	376	421	297	433	429	442	446
Service (000's)	784	908	959	1,034	1,131	1,257	1,463	1,615

Source: DBS *Railway Transport Part VI* and *The Labour Force*

General: Clerks, stenographers, office machine operators, building attendants, service vehicle operators, storemen, stores labourers.

Way & Structures: Bridge and building department foremen, carpenters, bridgemen, pipefitters, tinsmiths, masons, painters, helpers, work equipment operators, pumpmen, extra gang, section foremen, sectionmen, signal and electrical transmission, linemen, groundmen, etc.

Equipment: Boilermakers, carmen, electrical workers, machinists, moulders, pipefitters and sheet metal workers, helpers, coach cleaners, stationary engineers, firemen, oilers, etc.

Transportation 1: Train dispatchers, supervisory agents and assistants, station agents, telegraphers, levermen, general foremen, freight handlers, dining-car stewards, chefs, cooks, conductors (sleeping and parlour car), porters, etc.

Transportation 2: Engineers, motormen, brakemen, conductors (road passenger and road freight), firemen, yard foremen, yard engineers, switch tenders, helpers.

Other: Communications, express, cartage, highway transportation (rail).

Also see *Canadian Classification of Railway Employees and their Compensation.*

APPENDIX 5

GENERAL CONFERENCE COMMITTEE

ASSOCIATED RAILWAY LABOUR ORGANIZATIONS

Representative of:

- Brotherhood of Locomotive Firemen and Enginemen
- Brotherhood of Railroad Trainmen
- Order of Railway Conductors and Brakemen
- Brotherhood of Maintenance of Way Employees
- Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees
- Division No. 4, Railway Employees' Department, A.F.L.
- Canadian National Railway System Federation No. 11
- International Association of Machinists
- International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers of America
- Brotherhood of Railway Carmen of America
- International Brotherhood of Firemen and Oilers, Steam Plant Employees, Roundhouse and Railway Shop Labourers
- International Brotherhood of Electrical Workers
- United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada
- International Moulders and Foundry Workers' Union of North America
- Sheet Metal Workers International Association
- Commercial Telegraphers' Union
- Brotherhood of Railway Signalmen
- The Order of Railroad Telegraphers
- Canadian Brotherhood of Railway Employees and Other Transport Workers
- Brotherhood of Sleeping Car Porters, Train, Chair Car, Coach Porters and Attendants

NATIONAL LEGISLATIVE COMMITTEE

INTERNATIONAL RAILWAY BROTHERHOODS

Representative of:

- Brotherhood of Locomotive Engineers
- Brotherhod of Locomotive Firemen and Enginemen
- Order of Railway Conductors and Brakemen
- Brotherhood of Railroad Trainmen
- The Order of Railroad Telegraphers
- Brotherhood of Maintenance of Way Employees
- Division No. 4, Railway Employees Department, A.F.I.
- Brotherhod of Railroad Signalmen

It is not my intention, Mr. Chairman,—and I hope this is agreeable to you and the members of the committee—to read the appendices; they are there for you to see. As I said at the outset, those of my colleagues who will be with you as long as desired are competent to answer any questions or to give any elucidation you may require.

The presentation has, I think, outlined in a very general way the very distressing and sad circumstances in which these railway employees find themselves because of the technological changes which have come about on the railways, the increased mechanization and retraction of the indices, operations and so on.

We have every confidence that your committee will give adequate and fair consideration to this presentation, and on behalf of the committee and myself I want to thank you for giving such careful attention to what I have said.

As I mentioned at the outset, sir, I have to retire to go to work on the executive council on the Canadian Congress of Labour. I therefore ask you to excuse me. Again, thank you.

Mr. ADDISON: I would like to thank Mr. Hall for his remarks. I wonder whether before he leaves he might not identify his colleagues or those of them of whom we might ask questions.

Mr. HALL: Yes. We have a list of appearances here, sir. The organizations represented are named in appendix E but the individuals' names are not listed.

Mr. S. Wells, research director, and Mr. Pawson, the secretary of the non-operating committee, and any one of these other gentlemen who are with them are competent to deal with any questions anyone might put to them.

Mr. FISHER: I wanted to ask that the appendices be included in the text of proceedings following the text of Mr. Hall's remarks.

The CHAIRMAN: May we have a motion?

Mr. FISHER: I move that the appendices be included in the committee proceedings following the remarks of Mr. Hall.

The CHAIRMAN: Do you want it to include the brief as well?

Mr. FISHER: Yes.

Seconded by Mr. Orlikow.

Motion agreed to.

Mr. RIDEOUT: Maybe coming from the maritimes, and in view of the fact that this is a national problem, I should not even be speaking, especially in view of Mr. Fisher's recent visit to the maritimes. However, I wonder if we should not hear from the railways and other parties concerned as we have heard from Mr. Hall.

Have the railways any brief to submit? Or has any other group anything to submit?

The CHAIRMAN: Requests are not in yet.

Mr. GODIN: I move that the report to the present Minister of Transport be included in the appendices and that it be available to us. It would appear to be a more recent document than some of their other appendices.

Agreed.

Mr. BEAULE (*Interpretation*): The question is whether we should study the bill? Should we study the new bill itself? I am not quite clear what is to be discussed.

Mr. GODIN: The brief contradicts the bill, does it not?

Mr. FISHER: It is only the subject matter of the bill that is referred to the committee. In other words, we have a generality before us; and in this sense to work specifically on the bill that is presented here is to go against the terms of reference of our committee.

I would like to suggest that we need some examination of the witnesses for the railway unions regarding the general principle involved. Perhaps I could give you, the committee, one example of the principle that is involved.

Here we are really considering where the onus should lie with regard to dislocation as a result of changes in the railways. It seems to me, approaching it from the most general point of view, that there are two different groups or institutions that can bear the responsibility for dislocation and change if there is going to be any responsibility borne; one is the government of Canada in general, through services it may have or services we may recommend, and the other is the railways themselves.

The intent of my bill and the intent of this brief presented to us is that the railways should bear that responsibility. That is my individual argument. However, I think the other consideration has to be examined here and we need to hear opinions not only from the witnesses who may be here but also from other members of the committee on this point.

Mr. REGAN: Mr. Chairman, it is somewhat difficult for the members of the committee to direct questions to unspecified members of the very large group of representatives of the brotherhoods that are here. Therefore, I wonder if it would not be possible for those who are here to select two or three of their members to come to the front and sit up here in order to answer questions and discuss the brief that has just been presented. I think that would be the most orderly and efficient manner in which we could proceed at the present time.

The CHAIRMAN: Is it agreed?

Agreed.

Mr. ORLIKOW: It seems to me that long before we discuss either the text of the bill proposed by Mr. Fisher or the amendments included in this brief we need to obtain a great deal of information from the representatives of the unions who have presented this brief; and certainly we need to hear from the railway companies because they have a position which we need to know about before we can come to any intelligent conclusion. If we are going to deal with this subject seriously I do not think we can even hope to make any kind of report before we have heard from at least the unions and the companies concerned, and possibly also the Minister of Transport.

I would like to start with a question to Mr. Wells.

In the brief at page 3 there is reference to a large reduction in railway employment. At other places in the brief you have mentioned specific classifications, and reductions that have taken place in those classifications. I wonder if the unions could give the members of the committee the actual total figure rather than the percentage. In other words, what was employment in the railways in both the operating and the non-operating classifications, let us say, in 1952 and in 1962? What is the total reduction?

Mr. BALCER: Could I raise a point of order just before we proceed so that we have a clear procedure to follow? I wonder if we could decide whether we are going to hear other briefs this morning before we start questioning. Can we decide whether the railway association will appear and whether we will invite the Minister of Transport to appear?

I think if we could have clarification on those points before starting to ask specific questions on this brief we would be able to proceed more expeditiously.

Mr. Orlikow: Surely the best procedure to follow, having heard this brief and it being fresh in our minds, would be to spend as long as necessary, even the whole of the rest of the morning, questioning the representatives. I do not know whether they can all come back here again. Then at the end we can decide who else we want to hear and set the times for the hearing.

Mr. Foy: I would like to concur with what Mr. Orlikow has just said and to suggest that we deal with this brief here as far as we can this morning because we are going to be short of time with other committees proceeding later on in the morning. I suggest we go as far as we can with this question while it is fresh in our minds. Then at the next meeting we can continue with this if necessary or introduce something further, and the members will have time to study between the meetings.

The Chairman: Is everyone agreed?

Mr. Balcer: I have no objection as long as we are all agreed.

Mr. Rideout: I think we agreed in the beginning that we would take this brief item by item. Mr. Orlikow has jumped to page 3.

Mr. Foy: I would suggest that they answer this question and that we then proceed one page at a time.

Mr. Stewart Wells, (*Research Bureau of the Railway Non-Operating Railway Unions*): Mr. Orlikow's was in regard to percentage changes on page 3 and one or two other figures mentioned subsequently in the brief.

If I may refer you to appendix 4, which is the second last page of the brief, you will find figures set out which provide the basis for the percentage changes given on page 3.

I might say in connection with appendix 4 that we apologize for the fact that some terms are not translated on the French document. The difficulty was that we carelessly relied on the Queen's printer in Montreal to have a French translation made. When they did not do this, we and our translator were somewhat reluctant to begin translating technical terms as they are defined by the dominion bureau of statistics and the board of transport commissioners, so we had reluctantly to incorporate English terms in the French translation.

To return to the translation itself, they are all given here in the general categories as outlined and defined at the bottom of appendix 4. I have tried to incorporate some of the most specific occupations included in these categories. They are not all there because it would go on for a considerably longer period of time, however they are derived from *Canadian Classification of Railway Employees and their Compensation.* I could work out and we could provide you with any other combination of figures you might desire; but they could be done in such infinite detail and variety that we decided we had to stop somewhere. They came from this publication which is a definition of occupation in the railways put out by the dominion bureau of statistics, and as shown annually in the dominion bureau of statistics publication *Railway Transport Part VI—Employment Statistics.*

Mr. Orlikow: One other question, Mr. Wells. Have you any figures on what is happening in the supervisory field? Is that going down as these are going down, or is it going up?

Mr. Wells: It is going up in what we would prefer to term "management". There were certain supervisory classifications in the sense that they supervise other classes of employees included here, but they are not normally included in "supervisory". The management group to which I am sure you are referring is going up. I am a little reluctant to talk about absolute changes at this moment.

Mr. HORNER (*Acadia*): May I ask a supplementary question in regard to these figures?

My question is in regard to appendix 4. In looking at these roughly, going back to the period 1952 to 1962, it appears there was something like 52,000 fewer employees by 1962. Can we be given an idea as to what percentage of these 52,000 employees was retired and what percentage was laid-off because of abandonment or deviation of railway operation.

Mr. WELLS: I am afraid it is simply impossible for me to answer that question. This is information which is not published. We have been attempting for some time to get information of this type from the railways, but we only obtained it with reference to specific instances on a few occasions. It is even difficult to determine whether such information is available from the railways. If you are able to get this from them, at a subsequent appearance we would appreciate the opportunity of dealing with it.

Mr. HORNER (*Acadia*): Surely you could give an estimate, your best educated estimate, of this business because you are a statistician in the employment trade, as I understand railroading to be.

I might say that I am in full agreement with the theory behind Bill C-15. However, in order to get the cost to the railway, if the principle behind Bill C-15 is put through, we should be told your idea of the picture as to what that will be.

Mr. WELLS: I plead guilty to being a statistician, and statisticians are well known to lie with statistics; but very few of us are winlling to lie without statistics. I really would not care to make a guess. This is something you would known to lie with statistics; but very few of us are willing to lie without have to obtain from the railways. It has been suggested that you might be satisfied with figures of the number of retirements.

Mr. HORNER (*Acadia*): That would be fine.

Mr. WELLS: We can provide you with this. We know the number of people receiving pensions.

Mr. HORNER (*Acadia*): This is more or less the point I am trying to make.

Mr. REGAN: I am not sure, Mr. Chairman, to whom this question should be directed, but possibly to someone connected with research. Could you discuss for us the legislative history of section 182. I note there is no such provision for employees of T.C.A. or other crown companies and for that reason I was wondering if you would discuss how this section originally came into being by legislative action rather than a matter to be considered in collective bargaining, and whether conditions existing today within the industry are similar or changed from conditions which caused this section to be passed in the first place.

Mr. WELLS: In referring you to appendix 3 you will note that the first page is a quotation from Mr. Justice Cartwright and is not directly relevant to your question. However, at the bottom of the first page it refers to Mr. Justice Martland, Mr. Justice Locke, and Mr. Justice Abbott concurring. It goes on for three or four pages quoting from the Supreme Court judgment at the time. I think it gives a pretty good summary in regard to the developments in respect of section 182. We did not undertake to read this.

Mr. REGAN: Perhaps, Mr. Wells, you would read the appendix and we can follow it through with you.

Mr. WELLS: Do you wish me to commence with Mr. Justice Cartwright?

Mr. REGAN: Whatever you consider relevant will be all right.

Mr. WELLS: Relevant to your question, I think we can start with the quote from Mr. Justice Martland. This is also found in the submissions made by the national legislative committee to the government, to which Mr. Fisher also has referred. I am sorry to say that what I am about to read is not available in French. As far as we are able to ascertain there are no translations of Supreme Court judgments and we were reluctant, if this is true, to undertake to translate a judgment of this sort. Now, we are subject to correction in this connection but, as far as we were able to determine in Montreal, these are not available to us.

I will now read from appendix "3", as follows:

> The contention of the appellants is that these two sections can be read together, the former being for the protection of the public and the latter for the protection of railway employees. It was argued that s. 182 is divided into two parts, the first part dealing with any change alteration or deviation in the railway, and the second part dealing with the removal, closing or abandoning of any station or divisional point. It was argued that if, as a result of the abandonment of a line, made pursuant to s. 168, any station or divisional point were removed, closed or abandoned, compensation became payable under s. 182.
>
> The contention of the respondent is that the words "any such change," which follow the semi-colon in s. 182, must relate back to the words "change, alteration or deviation" at the beginning of the section. Compensation is only payable under s. 182 if there has been a change, alteration or deviation of the kind contemplated by s. 181, which section is specifically referred to in s. 182.
>
> In the determination of this issue, the historical development of the section which is now s. 182 is of significance.
>
> Section 120 of The Railway Act, c. 29 of 1888, made provision for a change of location of a line of railway in any particular part, for the purpose of lessening a curve, reducing a gradient or otherwise benefiting such line of railway, or for any other purpose of public advantage, with the approval of the railway committee. All provisions of the act were to apply as fully to the part of the line so changed as to the original line.
>
> In 1900, by c. 23, it was provided in s. 117 of the act that:
>
> > 117. Except in accordance with the provisions of section 120 or 130, no deviation shall be made from the located line of railway, or from the places assigned thereto in the map or plan and book of reference sanctioned by the minister under the provisions of section 124.
>
> Section 120 is the section of the act previously mentioned. Section 130 required the submission, for the sanction of the railway committee, of a map or plan and profile of the section of railway proposed to be altered and a book of reference.
>
> In 1903, by c. 58, it was provided in s. 131 as follows:
>
> > 131. The company shall not commence the construction of the railway, or any section or portion thereof, until the provisions of sections 123 and 124 are fully complied with; and shall not make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with.

The "last preceding section", i.e., s. 130, contained provisions similar to the present s. 181 of the act, requiring the submission, for the sanction of the board, of a plan, profile and book of reference of the portion of the railway proposed to be changed.

Changes, alterations or deviations of the railway were dealt with in a separate subsection (subs. 2 of s. 168) in the Railway Act, c. 37, R. S. C. 1906, which read:

> 2. The company shall not make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with.

Again the reference to the "last preceding section" (s. 167) is to be a section in like terms to those of s. 181 of the present Act.

In 1913, by c. 44, the following was substituted for subs. 2 of s. 168:

> 2. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, or remove, close, or abandon any station or divisional point without leave of the board, and where a change is made in the location of a divisional point the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence necessitated thereby.

In 1919, c. 68, the section in question became s. 179 and read as follows:

> 179. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, or remove, close, or abandon any station, or divisional point or create a new divisional point which would involve the removal of employees, without leave of the board; and where any such change is made the company shall compensate its employees as the board deems proper for any financial loss caused by change of residence necessitated thereby.

The section, in c. 170, R. S. C. 1927, read as follows, and substantially in the same form as s. 182 of the present Act:

> 179. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, nor remove, close, or abandon any station, or divisional point nor create a new divisional point which would involve the removal of employees, without leave of the board; and where any such change is made the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence necessitated thereby.

The significance of this historical development is that, initially, no reference is made in it to the subject of compensation. Later, compensation is referred to in the section, but as a part of that section. The 1913 amendment provided for compensation "where a change is made in the location of a divisional point." The 1919 amendment brought the section, substantially, into its present form and enlarged the scope of its provision as to compensation.

Section 168 was first enacted (then as s. 165A) in 1933.

Prior to that year railway companies could, unless there were a contractual or statutory duty to continue operations, abandon the operation of the whole or any part of their lines without the approval of the Board.

It should be noted that s. 168 appears in the act as one of a group of sections headed "General Powers" under a main heading "Powers—Construction of Railways" section 182, together with s. 181, is under the heading "deviations, changes and removal" under a main heading "Location of line."

In the light of the foregoing, it appears to me that the compensation provisions of s. 182 were intended to provide for financial loss caused to employees by a change of residence necessitated by the decision of a railway company to make a change, alteration or deviation in its lines or to remove, close or abandon any station or divisional point or create a new divisional point on such lines. The first reference to compensation appears as an addition to a section dealing with change, alteration or deviation in a railway. The present compensation provisions appear in the section which deals with that subject matter.

At the time the compensation provisions were being added to the sections which preceded s. 182, and were being increased, there was no provision requiring the approval of the Board to the abandonment of a line.

My conclusion is that the compensation provisions of s. 182 are a part of a section which deals only with change, alteration or deviation of an existing and continuing line and with the removal, closing or abandonment of any station or divisional point and the creation of a new divisional point upon such a line. Abandonment of a line, on the other hand, is dealt with as a separate matter under the Act. The line is discontinued. The approval of the board is required under s. 168 but no compensation is payable.

I would, therefore, dismiss the appeal without costs.

The CHAIRMAN: Before we proceed any further I wish to direct a question to the French speaking members.

Interpretation: The Chairman asked whether the French members required the translation of appendix "3" right away, and the members have said they would do without the translation for the time being as it would delay the proceedings of the committee.

Mr. REGAN: Mr. Chairman, I have a supplementary question to direct to Mr. Wells.

Mr. Wells, inasmuch as these provisions were made early or, at least relatively early in this century when the transportation facilities and problems were far different from what they are at the present time, and as the provisions were not made in a bill providing or covering all employers who made changes affecting their employees or, indeed, all employers in the transportation business but only in respect of the railways, do you feel that the original section 182 or its predecessors came about as a result of special conditions in railroading where developments of new outlying areas were taking place that would not be as applicable today as at that time?

Mr. WELLS: In the first place, I would not like to try to guess what was in the minds of parliament when they passed that original legislation, but I would say that while it has certainly been interpreted to apply to very specific and highly specific situations, so specific in fact we have not been able to get compensation under that section of the act at all, the need is much greater now than it was then. Surely the section was never intended not to be used. Our

position is that we have tried to say here that the intention of the act was as general as Mr. Justice Cartwright interpreted it and that it is a problem of wording which has led to it being a much more specific thing than we think, and what we feel Mr. Justice Cartwright felt, it was intended to cover.

However, we would not agree that because employment on the railways may have been something less of a problem at some time in the past, that this has affected the need for the legislation in any way now except to make it more relevant that we have such legislation. There is nothing in the legislation to indicate that. If I may say also, parliament passed the Canadian National-Canadian Pacific Act in 1939, which very specifically was created to compensate employees affected by mergers and so on but, unfortunately, there has been no co-operation for the purpose of the act since the Canadian National-Canadian Pacific Act was enacted. But, it was enacted in 1939. More recently there has been an act respecting industrial change and manpower adjustment introduced by the former government namely Bill C-83. It received first reading on November 22, 1962 and, I believe, ended there.

Mr. REGAN: Was it a private or a government bill?

Mr. FISHER: A government bill.

Mr. WELLS: Yes, a government bill, and it was known as an act respecting industrial change and manpower adjustment, which provided for assistance to persons generally laid off.

Mr. REGAN: I have a further supplementary question. The point I wanted to make is in today's situation would you feel that the question concerning the problems of dislocation arising out of automation should be dealt with by the legislative force of the country as applying to all workers rather than piecemeal for the railway; in other words, was there not a special condition in the early days involving railway employees which required protection; whereas today there is not as pressing a reason for giving them a greater degree of protection than other employees in the country.

Mr. WELLS: I would say that precisely the opposite was the case; that the position of railway employees now relevant to employment in other industries is much worse than it was at probably any time in the past, to the extent that special conditions existed in the past which indicated that railway workers deserved special treatment, and that relationship is only multiplied now. We have tried to show this in specific reference to comparable changes on pages 3 and 4 and, in a general way, in describing the tremendous changes in technological procedures and organization which are occurring in connection with the railways now, and in respect of future changes which will be taking place.

Mr. RIDEOUT: I have a question.

The CHAIRMAN: Is this a supplementary question?

Mr. RIDEOUT: I am just sorry that some of the legal minds of the railway are not here this morning. Is it not correct that the railway takes the legal view that to disrupt the line means to take the railway ties and tracks and move them to another location? Is this not the way the railway companies are interpreting the law as it now stands?

Mr. GIBBONS: Mr. Chairman, I am secretary of the national legislative committee and the best way to answer that question is to cite two instances where application was made under the act as against another instance which was similar where we could not get assistance under the act. When the Canadian National took over various railways in Canada it became necessary to amalgamate the terminal at Lucerne, Alberta with that of Jasper. Application was made under the provisions of the act for relief and compensation to the employees who would be involved in the move. But, when the terminal at Lucerne disappeared and they were moved to Jasper compensation was paid to certain employees to assist them in moving.

Then there was an instance in Alberta where we had 28 crews working out of Big Valley; the coal industry changed as a result of which the railway services were lessened to the point that there were only three skeleton staff left, two engine crews and two train crews. We again sought relief for the approximately 24 or 25 crews that had been forced to leave and were unable to obtain relief because the board ruled under the act abandonment did not take effect because there was a skeleton crew there. I am sure this would answer your question.

Then, if I may, and just to supplement Mr. Well's answer in regard to your previous question, I think we have to recognize that all of the ground rules affecting railways moves are quickly controlled and regulated by legislation and this pertains to abandonment in all phases of railway operation. We think when legislators are going to consider legislation which decides, as in the case of the board of transport commissioners, that abandonments will take place the legislators they create in part the problem we have. We do think we are in a unique situation because of the fact that all the ground rules are very quickly regulated by legislation.

Mr. RIDEOUT: I wonder if you would tell us if the railway accepted any responsibility at Cornwall for the change caused by the railway or the St. Lawrence Seaway? I think they did change the physical profile of the railway in that area.

Mr. GIBBONS: It does seem sad. You are talking about the New York Central abandonment from Cornwall to Ottawa south, I presume, and I think what we have to consider, in answer to your question, is that we made application to the board of transport commissioners, as contained in our brief, and were unable to obtain any relief. But, very significantly, these same people who could not obtain relief in Canada made application under the Washington job protection agreement in the United States and they were afforded relief. We have people living in Canada who are drawing payment from these people because of legislation in the United States. But, a direct answer to your question is that there was no relief given to employees in Canada as a result of that abandonment.

Mr. BEAULE (*French*):

Interpretation: Mr. Beaule says that 28 per cent of the employees had been laid off, according to these figures, and he wishes to know what would be the compensation in dollars the railways would have to pay which the unions are asking and how would this be met, by raising freight rates or passenger rates or by parliament passing subsidies? He also wishes to know what the percentage is for the next year to come.

Mr. WELLS: It is hard to put a dollar figure on that because the act, as it stands, or section 182, as it stands, and bill C-15, as it stands, and our suggestion with regard to bill C-15, does not put a specific dollar value to be awarded to any given employee and, therefore, it would be impossible on these grounds alone to put a figure on what this 28 per cent reduction for non-operating employees would have cost.

Mr. BEAULE: Or for the next ten years to come.

Mr. WELLS: The next ten years would require a full and detailed forecast of employee changes.

Mr. BEAULE: We have to face this problem. Could you not tell us what would be the percentage of the employees affected over the next few years? Could this not be figured out by electric computers. We absolutely must have figures because we are dealing with a bill which will eventually involve expenditures and there is no point in discussing the bill unless we know what the expenditures are likely to be.

Mr. WELLS: There are a couple of problems. In this case the trouble with computers is that the computers are only as good as the information which you give them. For instance, the amount of unemployment created through technological change in the railways in the next ten years will depend in part upon the amount of technological change which they are allowed to incorporate, and not only the technological change but the procedural or organizational change.

If the full branch line abandonment program which C.P.R. have indicated they would like to carry out is permitted, obviously the lay-offs would be greater. This can only be dealt with qualitatively by ourselves. We think it would be a gross mistake to allow the full abandonment program to take place, to take a specific example. We believe it would be a gross mistake to allow that to take place to the extent the railways have been vaguely discussing. In any event, we could not put a figure on this because we have not the specific plans as to the amount of abandonments they would like to undertake.

To revert to the first part of your question if I might, we do not feel it is possible for us to be too dogmatic about where the money that would be involved should come from, the specific sources of it; but we think it should not be forgotten in estimates of the cost that this unemployment is occurring because of tremendous savings that are taking place or accruing to the railways through these changes. To a large extent it is a question of making sure that some of the benefits to the railways and to the community as a whole of the changes, when they are allowed to take place, should be passed on to the employees affected. It is not straight addition to cost by any manner of means.

Mr. BEAULE (*Interpretation*): Has this article been mentioned in collective agreements.

Mr. WELLS: In one or two cases apparently it has been mentioned, but it has not been successfully incorporated in any of the collective agreements.

Mr. BEAULE: What was the answer of the companies?

Mr. J. WALTER, (*Assistant Grand Chief, Brotherhood of Locomotive Engineers*): I would not endeavour to give the answer of the companies, but I can relate some experience we have had.

In attempting to introduce collective agreements that would take care of this situation, agreements providing for payment of the employees required to move when the railways make a change in their operation, during the last round of negotiations between Canadian Pacific Railway and the brotherhood of locomotive engineers, and also I believe the railroad trainmen, there were discussions as to how this problem could be handled. What takes place is that the railways introduce their changes between contracts when we have a contract in effect for a specific length of time. They take the position that in doing so they are introducing a new change that is not covered by contract rule and therefore they can put this change into effect, and we have no recourse.

At the present time we, as the national legislative committee, and some of the representatives of the running trades, have dealt with the Minister of Labour and the Minister of Transport on this particular problem, asking them to look into the situation and consider changes in the Industrial Relations and Disputes Investigation Act; and we have a brief which I understand is available to members of the committee if they would like to look at it.

Mr. BALCER: I understand the witness cannot tell us how much it will cost the railways for a given number of years in the future, but I wonder if he could give the committee an example for one specific employee of what they have in mind as compensation and removal cost. What amount of money would you feel fair for a stationmaster, for example, who had been removed because the station had been closed? What would you have in mind as compensation in money and also removal expenses?

Mr. WALTER: The rule that we asked for during the last negotiations was to the effect that the employee who was required to move would be compensated for actual moving expenses, and in addition to this he would be paid the difference in the value of his home, as assessed before the move was made or before the change was made, and the amount that he was eventually able to sell it for. In this particular area we expect that when a railway moves out of a town in northern Ontario for example, or some place where only the railway industry maintains the town, the value of the real estate will drop off drastically at that point. This is the situation we were trying to cover. Incidentally, the chairman of the conciliation board which dealt with our particular case said that this matter would be referred to a parliamentary committee because the previous government had announced that the matter would be dealt with by a parliamentary committee. Therefore, he said he was not in a position to deal with the situation at that time for that reason.

Mr. A. R. GIBBONS, (*Vice President, National Legislative Representative, Brotherhood of Locomotive Firemen and Enginemen, and Secretary, National Legislative Committee*): Mr. Chairman, Mr. Pawson, I think on page 14 of our brief we refer in the last paragraph to the specific payment of the adjustment allowances similar to that which parliament provided in the Canadian National and Canadian Pacific Act.

Very briefly, in 1933 the Canadian National Canadian Pacific Act was enacted providing for contemplated cooperation between Canadian National Railways and Canadian Pacific Railways, such as pooling of passenger trains, passenger terminal facilities, and other similar ideas.

As a result of the pooling of passenger train services some 60 odd people were affected between here and Toronto, at either Belleville or Brockville. In 1939, because of representations made by our predecessors, the government saw fit to enact an amendment which set forth in detail what compensation would be provided under the Canadian National Canadian Pacific Act, and we made reference to that. We should note too that the royal commission on transportation recommended repeal of the act because it was not applicable.

We say that is the only criterion to which consideration could be given to effectively give coverage under section 182 of the act because it sets forth in detail that people would be compensated, as Mr. Walter pointed out, for the actual loss of real estate value of their homes and the actual cost of moving. For those who are left without employment at all, another section provides for compensation based on 60 per cent of their earnings for the previous year for varying periods of seniority up to a maximum of six months payment for those with fifteen years seniority.

I think perhaps the committee should closely examine the Canadian National-Canadian Pacific Act because this would answer many of their questions.

Mr. BEAULE (*Interpretation*): Have we a quorum?

The CHAIRMAN: Yes, we have fifteen.

Mr. FOY: I would like to suggest at this time that we adjourn. I, and some other members I know, have another committee to attend. It would appear that this subject is going to require rather extensive discussion and there will be a number of questions which will take much more time than we have today. I would suggest that we adjourn and that the chairman shall suggest our next meeting.

Mr. HORNER (*Acadia*): I do not think we should adjourn now; we are just getting down to the meat of the subject. Surely we should be allowed to proceed.

While we are talking about adjournment and other meetings, in all fairness to the people who are here to appear before the committee, I think this committee should have the power to sit while the house is sitting. Certainly I am against adjournment.

Mr. FOY: I certainly appreciate the time and effort on the part of the representatives to come up here, but I feel—recalilng this sort of meeting in the past—they are going to be coming up here again and again because we cannot obtain the information we require in just one sitting.

It is possible it is only on the day of this first meeting that so many of our members have other commitments, and something may be arranged for future meetings through the Chair in order that we can sit longer. I do make that a motion to adjourn now.

The CHAIRMAN: Have you a seconder?

Mr. FISHER: It is not debatable.

The CHAIRMAN: Section 32(2) states:

> All other motions, including adjournment motions, shall be decided without debate or amendment.

That is article 32, but to make your motion you have to name a seconder.

Mr. CANTELON: I second the motion.

Mr. BALCER: Before you put the question can you tell me until what time you intend to sit if we defeat the motion?

The CHAIRMAN: That is up to you.

Mr. FISHER: We are dealing with a detailed subject and it seems to me the issues raised with regard to the question of conciliation boards and the attitude of the railways and unions towards negotiating this particular matter are quite complex; the committee will need more information. It also seems to me that in view of some representations which the union has made to the Minister of Transport being unavailable at this moment, we should accept the motion.

The minister told me that he regretted he could not be here today.

I am sure we will have representations from Canadian National Railways, Canadian Pacific Railway and from the railways association; and I have received a request of intention to appear before the committee if possible on Thursday by the joint running trades of Canada who would like to make representations. So for Mr. Foy's and Mr. Horner's information, this could be a fairly long and detailed hearing.

I would therefore suggest that the steering committee meet today and consider how we can arrange this in the best interests of the members of the committee and in the light of all other arrangements and commitments in the house.

The CHAIRMAN: Will all those in favour of the adjournment please signify?

Will those against the adjournment please signify? That is ten for the adjournment and six against.

Motion agreed to.

Mr. FISHER: May I make a suggestion that at our next meeting our translators be up at the front so that we may hear the interpretations more easily.

Mr. CANTELON: May we have some indication in future meetings as to the length of time we will be meeting? I find it awkward not to know. It would be helpful to know when we meet and the approximate length of time.

The CHAIRMAN: The steering committee will deal with that.

APPENDIX "A"

THE NATIONAL LEGISLATIVE COMMITTEE INTERNATIONAL RAILWAY BROTHERHOODS

J. A. Huneault, Chairman
1708 Bank Street,
Ottawa, Ontario

A. R. Gibbons, Secretary
100 Argyle Avenue,
Ottawa, Ontario

Honourable George McIlraith,
Minister of Transport,
Parliament Buildings,
Ottawa, Ontario

May 27th, 1963.

Honourable Sir:—

As requested in your letter of May 3rd last, addressed to Mr. J. A. Huneault, Chairman of the National Legislative Committee, International Railway Brotherhoods. I am writing to you at this time to request a meeting with you at your earliest convenience.

The purpose of the meeting would be to afford us an opportunity to meet you, and we would appreciate the same opportunity to discuss with you our request for an amendment to the Railway Act.

In 1933, Parliament enacted the Canadian National-Canadian Pacific Act, which had for its purpose the provision for co-operation between the Canadian National Railways and the Canadian Pacific Railway system.

In 1939, the Act was amended to provide for 'severance pay' for 'every employee who is deprived of his employment as a result of any . . . measure, plan or arrangement . . . by Canadian National Railways or Canadian Pacific Railways . . .'. In addition, arrangements were provided for those who should be laid off and subject to call to return to work and for those who chose to resign and seek work elsewhere. Provision was also made to compensate employees displaced for financial loss occasioned by having to change their places of residence.

Section 4(6)(a) of the 1939 Amendment reads in part—

'Notwithstanding the provisions of the *Railway Act* which relate to compensation of employees for financial losses caused to them by removal, closing or abandonment of any railway station or divisional point . . .'

Thus it can be seen that the authors of the Canadian National-Canadian Pacific Act believed that Section 182 (formerly 179) of the Railway Act provided compensation for employees displaced and required to change their place of residence.

I would point out here that the guiding principle that led to the enactment of the Canadian National-Canadian Pacific Act was economy of operation. However, it was recognized that such economies should not be at the expense of the employees.

We, as a Committee and those we represent, were of the opinion that Section 182 of the Railway Act provided for compensation to displaced employees, and when permission was granted by the Board of Transport Commissioners to the New York Central Railroad Company to abandon its line from Cornwall to Ottawa in 1956, we requested that the Board provide for compensation to the affected employees. Three Commissioners heard the case, and while two of them supported our contention, the third, the Assistant Chief Commissioner, disallowed our claim on a point of law. Subsequently, we appealed the decision of the Board to the Supreme Court of Canada, based on the following two sections of the Railway Act—

> 168. The Company may abandon the operation of any line of railway with the approval of the Board, and no company shall abandon the operation of any line of railway without such approval.

182. The Company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with, nor remove, close, or abandon any station, or divisional point nor create a new divisional point that would involve the removal of employees, without leave of the Board; and where any such change is made the company shall compensate its employees as the Board deems proper for any financial loss caused to them by change of residence necessitated thereby.

An adverse decision was rendered by the Supreme Court. Only one Honourable Justice supported our claim in its entirety and he said—

> The claim of the employees appears to me to fall within the words of the section construed in their ordinary meaning. The Company has in fact removed, closed or abandoned every station and divisional point which was situated on the abandoned line. Those of its employees previously employed at any station or divisional point thereon who have been retained in its employment have been removed to either situations in its railway system and it has been necessary for them to change their residence. The section does not appear to have been drafted by a meticulous grammarian; but it is reasonably plain that what is conditionally forbidden by that part of the section commencing with the words 'nor remove' in the fourth line, and, if permitted, gives rise to the right to compensation is such a removal, closure, or abandonment of a station or divisional point as would involve the removal of employees and necessitate a change of their residence.
>
> The learned Assistant Chief Commissioner has held in effect that the words of s. 182 last referred to above, touch such removals, closures or abandonments as are consequent on deviations, changes or alterations made pursuant to s. 181 or occur in situations other than the abandonment of the operation of a line, but do not touch removals, closures or abandonments consequent on an abandonment made pursuant to s. 168. I am unable to find any sufficient reason for this differentiation. The words 'remove', 'close' and 'abandon' are not defined in the Act nor are they terms of art. In their ordinary meaning they described the action taken by the respondent in regard to the stations on the abandoned line. The effect upon the class for whose benefit the part of the section under consideration was passed, i.e., employees retained in a company's service and moved by reason of the abandonment of a station, is the same whether the portion of the line on which the station was situate is continued in its existing location or is abandoned or is relocated. In one sense every relocation of part of a railway involves an abandonment of the part from which the relocated line is substituted and in principle there is little difference between on the one hand abandoning altogether a line which forms only a fraction of one per cent of a company's total system and on the other hand, removing it and substituting for it a line in a different location. In either case there is a change in 'the railway' viewed as a whole.
>
> In my opinion, neither the arrangement of the sections in the Railway Act nor the history of the legislation furnishes sufficient reason for failing to give to the words of the section what appears to me to be their plain and ordinary meaning.

Three other Honourable Justices in dismissing the claim stated their reasons as follows—

> Martland J.—(Locke, J. concurs) (Abbott J. concurs)
>
> Under s. 168 of the Railway Act, the Board of Transport Commissioners, on January 10, 1957, granted leave to the respondent, as lessee

of the owner, the Ottawa and New York Railway Company, and to the said owner, to abandon operation of the line of railway between Ottawa and the International Boundary, near Cornwall, Ontario. By its Order, the Board reserved 'for further consideration and determination the application on behalf of the employees of the New York Central Railroad Company in respect of compensation.'

This application, which was made under s. 132 of the Railway Act, was that the financial loss, if any, involved by the removal of New York Central employees from the Ottawa division to other portions of the New York Central Railroad be paid by the Company. It was refused by the Board, which held, as a matter of law, that the respondent, having obtained approval of the Board to abandon operations pursuant to s. 168, was not bound by the requirements of s. 182 pertaining to compensation of employees.

The relevant sections of the Railway Act, ss. 168 and 182, provide as follows—

168. The company may abandon the operation of any line of railway with the approval of the Board, and no company shall abandon the operation of any line of railway without such approval.

182. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with, nor remove, close or abandon any station, or divisional point nor create a new divisional point that would involve the removal of employees, without leave of the Board; and where any such change is made the company shall compensate its employees as the Board deems proper for any financial loss caused to them by change of residence necessitated thereby.

The contention of the appellants is that these two sections can be read together, the former being for the protection of the public and the latter for the protection of railway employees. It was argued that s. 182 is divided into two parts, the first part dealing with any change alteration or deviation in the railway, and the second part dealing with the removal, closing or abandoning of any station or divisional point. It was argued that if, as a result of the abandonment of a line, made pursuant to s. 168, any station or divisional point were removed, closed or abandoned, compensation became payable under s. 182.

The contention of the respondent is that the words 'any such change', which follow the semi-colon in s. 182 must relate back to the words 'change, alteration or deviation' at the begining of the section. Compensation is only payable under s. 182 if there has been a change, alteration or deviation of the kind contemplated by s. 181, which section is specifically referred to in s. 182.

In the determination of this issue, the historical development of the section which is now s. 182 is of significance.

Section 120 of The Railway Act, c. 29 of 1888, made provision for a change of location of a line of railway in any particular part, for the purpose of lessening a curve, reducing a gradient or otherwise benefitting such line of railway, or for any other purpose of public advantage, with the approval of the Railway Committee. All provisions of the Act were to apply as fully to the part of the line so changed as to the original line.

In 1900, by c. 23, it was provided in s. 117 of the Act that—

117. Except in accordance with the provisions of section 120 or 130, no deviation shall be made from the located line of railway, or from the places assigned thereto in the map or plan and book or reference sanctioned by the Minister under the provisions of section 124.

Section 120 is the section of the Act previously mentioned. Section 130 required the submission, for the sanction of the Railway Committee, of a map or plan and profile of the section of railway proposed to be altered and a book of reference.

In 1903, by c. 58, it was provided in s. 131 as follows—

> 131. The company shall not commence the construction of the railway, or any section or portion thereof, until the provisions of sections 123 and 124 are fully complied with; and shall not make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with.

The 'last preceding section', i. e., s. 130, contained provisions similar to the present s. 181 of the Act, requiring the submission, for the sanction of the Board, of a plan, profile and book of reference of the portion of the railway proposed to be changed.

Changes, alterations or deviations of the railway were dealt with in a separate subsection (subs. 2 of s. 168) in the Railway Act, c. 37, R.S.C. 1906, which read:

> 2. The company shall not make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last section are fully complied with.

Again the reference to the 'last preceding section' (s. 167) is to be a section in like terms to those of s. 181 of the present Act.

In 1913, by c. 44, the following was substituted for subs 2 of s. 168:

> 2. The company shall not, at any time, make any change, alteration, or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, or remove, close, or abandon any station or divisional point without leave of the Board; and where a change is made in the location of a divisional point the company shall compensate its employees as the Board deems proper for any financial loss caused to them by change of residence necessitated thereby.

In 1919, c. 68, the section in question became s. 179 and read as follows—

> 179. The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, or remove, close, or abandon any station, or divisional point or create a new divisional point which would involve the removal of employees, without leave of the Board; and where any such change is made the company shall compensate its employees as the Board deems proper for any financial loss caused by change of residence necessitated thereby.

The section, in c. 170, R.S.C. 1927, read as follows, and substantially in the same form as s. 182 of the present Act—

> 179. The company shall not, at any time make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of the last preceding section are fully complied with, nor remove, close, or abandon any station, or divisional point nor create a new divisional point which would involve the removal of employees, without leave of the Board; and where any such change is made the

company shall compensate its employees as the Board deems proper for any financial loss caused to them by change of residence necessitated thereby.

The significance of this historical development is that, initially, no reference is made in it to the subject of compensation. Later, compensation is referred to in the section, but as a part of that section. The 1913 amendment provided for compensation 'where a change is made in the location of a divisional point.' The 1919 amendment brought the section, substantially, into its present form and enlarged the scope of its provision as to compensation.

Section 168 was first enacted (then as s. 165A) in 1933.

Prior to that year railway companies could, unless there were a contractual or statutory duty to continue operations, abandon the operation of the whole or any part of their lines without the approval of the Board.

It should be noted that s. 168 in the Act as one of a group of sections headed 'General Powers' under a main heading 'POWERS—CONSTRUCTION OF RAILWAYS' Section 182, together with s. 181, is under the heading 'Deviations, Changes, and Removal under a main heading 'LOCATION OF LINE.'

In the light of the foregoing, it appears to me that the compensation provisions of s. 182 were intended to provide for financial loss caused to employees by a change of residence necessitated by the decision of a railway company to make a change, alteration or deviation in its lines or to remove, close or abandon any station or divisional point or create a new divisional point on such lines. The first reference to compensation appears as an addition to a section dealing with change, alteration or deviation in a railway. The present compensation provisions appear in the section which deals with that subject matter.

At the time the compensation provisions were being added to the sections which preceded s. 182, and were being increased, there was no provision requiring the approval of the Board to the abandonment of a line.

My conclusion is that the compensation provisions of s. 182 are a part of a section which deals only with change, alteration or deviation of an existing and continuing line and with the removal, closing or abandonment of any station or divisional point and the creation of a new divisional point upon such a line. Abandonment of a line, on the other hand, is dealt with as a separate matter under the Act. The line is discontinued. The approval of the Board is required under s. 168 but no compensation is payable.

I would, therefore, dismiss the appeal without costs."

It appears to us that in enacting the Canadian National-Canadian Pacific Act, and from the wording used in it, Parliament considered the employees were sufficiently protected under Section 182 of the Railway Act in individual cases in which they were required to change their places of residence, therefore, provision was made only for the possible amalgamation of the two major railways.

It seems to us to be unreasonable and illogical that protection against financial loss by reason of cooperation should be provided employees affected while other employees, who would suffer similar financial loss through individual instances in which the railways might "remove, close, or abandon any station, or divisional point nor create a new divisional point that would involve the removal of employees", should be left entirely without protection against financial loss through the action of the railways over which the employees have no control whatsoever.

The motivation behind the proposed cooperation of the two major railways was economy of operation, but it is quite evident that Parliament felt that such cooperation for purposes of economy of operation should not cause undue hardship or financial loss to employees deprived of their opportunity to work entirely

or to change their places of residence as a result of the economies. The proposed cooperation of the major railways did not take place but subsequent events have made it possible, through automation, dieselization, etc., for the railways to reduce staffs and thus effect the economies which were envisaged when cooperation was proposed.

It seems to us to be reasonable that employees should be granted protection in a similar manner to that provided under the Canadian National-Canadian Pacific Act when, for reasons of economy of operation, the railways make changes in their operations which deprive employees of the right to work or which require those who are retained in employment to change their places of residence. We most urgently request that amendments be made to the Railway Act by revising Section 182 to provide in clear and unmistakable language for compensation for financial loss caused to employees by any change whatsoever made in the operation of the railways which require employees who are retained in the service to change their places of residence, whether such changes are authorized under Section 168 or any other portion of the Railway Act.

We also request the same consideration for employees who are deprived of employment as is contemplated in the Canadian National-Canadian Pacific Act.

Many classes of employees are being affected by changes and reorganization on the part of the railways. Branch lines are being abandoned entirely, on others, service is being so reduced that abandonment is only a matter of time; small terminals are being eliminated; maintenance of way sections are being greatly extended; great numbers of stations are being closed entirely or, if not entirely closed, the agents are being removed and caretakers appointed to give very limited service at very low cost to the railways but in any case the agent has to remove his household to a new location. During the past two years more than 150 station agents have been so removed from railways in Canada. It is safe to say that the removal of such agents has resulted in a saving to the railways of three-quarters of a million dollars per year. This is a continuing saving each year whereas compensation, such as suggested, would cost only a fraction of the saving made in one year and would be a single cost item. The same principle applies in the cases of all employees who are moved but retained in railway service. According to D.B.S. the reduction in the number of employees on Canadian railways in one recent year was almost 18,000 which constitutes almost ten per cent of the working force. Where such reductions can be made without affecting the efficient operation of the railways there can be no question that the railways have the right to make such reductions but we do not believe they have the right to cause financial loss to their employees without some compensation being granted. We have every reason to believe that reduction in staffs will continue for some time at least; and we urge the necessity for early action on our requests.

Quite recently the Pacific Great Eastern Railway, operating in British Columbia, partially abandoned its terminal at Squamish and made agreements with unions representing the employees providing for compensation such as we are requesting. Contained in the agreement is the following:

> The British Columbia Railway Act, under which the Pacific Great Eastern Railway operates, does not contain any provision for reimbursing employees who might be required to move in such circumstances, but the Canadian Railway Act, although it does not apply to the Pacific Great Eastern Railway Company, does contain the only guide which the committee could find for reimbursing railway employees for financial loss entailed in such a move. This is found in Sections 181 and 182 of the Canadian Railway Act .....

The agreement then goes on, "To recompense for financial loss, any employee domiciled at Squamish who should decide to change his place of

residence from Squamish to one of the other terminals because of the elimination of Squamish as a home terminal for crews in pool freight and unassigned service, the Company will, for an eligible employee:

1. Pay $500.00 cash to cover cost of the move for either a home owner or renter and the employee may make the move by any means of transport he desires.

2. In the case of a home owner, the Company, on request, will purchase the employee's home at Squamish at a price set by the Universal Appraisal Company Limited at the Company's expense".

Still other favourable provisions are contained in the agreement but the foregoing is quoted to show the Pacific Great Eastern Railway apparently agreed with Mr. Justice Cartwright of the Supreme Court of Canada in "what appears to be their plain and ordinary meaning". It seems to us that if a comparatively small property, such as the Pacific Great Eastern Railway, can afford, and is willing, to treat its employees in a fair and just manner basing its decision upon its understanding of Section 182 of the Railway Act then the major railways should be required to give similar consideration to their employees and it is for that reason we request that the Act be clarified.

We have appeared before the Government of Canada on five occasions in our efforts to have the Act amended so as to give application to the principle of compensation to Railway Employees in all cases of abandonment.

We earnestly solicit your support of our desires in this regard and respectfully request that you introduce an amendment to Section 182 of the Railway Act at an early opportunity.

Yours very truly,
A. R. GIBBONS,
Secretary.

STATEMENT ON BRANCH LINE ABANDONMENTS

There is at present no pressing need for changes in basic transportation policy objectives. Rather the requirement is for a broadening of the scope and pervasiveness of these objectives. As shown by W. R. Irwin of the Board of Transport Commissioners in a written judgment given during January, 1962, present policy extends back over at least a twenty-five year period:

> The principles followed by the Board in considering applications for abandonment have been as stated by Chief Commissioner Guthrie in Vancouver, Victoria and Eastern Railway v. Princeton 45 CRC 197: "But this Board has uniformly decided that loss sustained by the Railway Company, arising from operation of a line of railway, is not of itself sufficient to justify the abandonment of the line. It must also be shown that the community resident in the territory affected, and the industries established therein, will not be unduly inconvenienced or prejudiced by such action on the part of the railway company. In other words it must be demonstrated that the local community will not be unreasonably deprived of access to their properties, to markets and to shipping facilities for their produce either by railway, highway, or other means of transport. The issue in each case where abandonment is sought resolves itself into a question of: 'whether the loss and inconvenience to the public, consequent upon the abandonment, outweigh the burden that continued operation of the railway line involved would impose upon the Railway Company (CNR v. Tweed (1935) 44 CRC 53).' "

It is fair to say these principles have received the support of almost everyone, including, in its basic theme, the Canadian National Railways and our most recent Royal Commission on Transportation.

The faults of our abandonments policy have been its failure to define a comprehensive method for measuring the things it wants to compare, and the lack of any facilities for dealing with circumstances directly attributable to decisions based on the policy: where the public interest requires that a service uneconomic to the railway company must nevertheless be continued, then at present the deficit will be shared by the company and its employees and users. On the other hand, when a line is abandoned or services are otherwise curtailed, other groups (but again including employees of the railway) are likely to experience the same kind of financial penalty, which they may or may not be able to escape.

For practical purposes these two situations appear to be identical, but in its examination of transportation the MacPherson Commission dealt with the influence of abandonments on non-rail institutions only incidentally, and then only insofar as they were allowed to interfere with the profit-making decisions of the railways. The Commission regarded this problem as being outside its terms of reference, as falling in the field of National Policy rather than National Transportation Policy, upon which the Commission was established to comment. Thus the Commission was able to say that (Vol. I, p. 41):

> If rail services are demanded by the nation beyond inherent competitive advantages the costs of such demands cannot be avoided by the nation. The present environment dictates that the burdens of excess rail plant and services can no longer be thrown on to the users of rail without serious distortions in the allocation of resources in transportation. The ultimate consequence—if these burdens are not removed—could be a breakdown of rail operations and the loss to the nation of their inherent economic advantages. . . . However, because of the institutional and social considerations associated with the railways' historic role as instruments of national policy and because of the close economic ties of certain industries to the rails, an abruptly implemented programme of rail line abandonment will cause dislocations which would not be in the interests of the community as a whole. At the same time we believe that the finances of the railway companies and rail shippers cannot and should not bear alone the burden of the necessary period of adjustment. It is here that the Government of Canada can acknowledge the nation's responsibility. In the interests of change with a minimum of dislocation, the continuation of rail services on uneconomic branch lines should be supported over a period of time sufficient to enable the adjustments to be made both by investment in rail and investment tied to rail movement.

And they went on to recommend that subsidies in this regard be paid to the railways over a period of about 15 years. However, the Commission offered no solution to the question of which lines deserved subventions, on the grounds that (Vol. I, pp 42, 61):

> Evidence placed before us does not enable us to determine either how much mileage should be removed from service or where that mileage is. Ascertaining these facts is a matter for continuing study. We are, therefore, in no position to offer a detailed plan for the rationalization of Canada's railway plant (but) there should continue to be opportunity to examine, through a regulatory agency, proposals for rationalization of rail plant and the public concerned ought to continue to present its views on the impact of this rationalization in each case under review in

order that the regulatory agency may assign priority. Throughout the adjustment period, continuous assessment of the cumulative effects of progressive rationalization must go on.

Whether or not the Commission's policy dichotomy was appropriate is no longer a particularly useful question; the real problem is how to determine the proper criteria for assessing all of the social and economic aspects of the branch line operations, and then having done that, to delineate the terms and conditions for dealing with the injured parties. This has recently been taken up by a number of interested persons, including Premier Lloyd of Saskatchewan, the National Farmers' Union, and the Association of Urban and Rural Municipalities in all of the prairie provinces, but nowhere has it been better expressed than in an oral judgment delivered in July, 1961, by Chief Commissioner Kerr of the Board:

> . . . Abandonment cases are not cases that this Board likes to hear. Abandonments of railway lines usually cause loss and inconvenience to the areas that are served by the railway, areas that have been served for many, many years. Communities have grown up around the railway lines, perhaps have been attracted to those areas by the very fact that railway lines were serving the area. Industries likewise became established because of the existence of railway facilities, the industries attracted employees, the employees brought up their families and established their homes, their churches and schools. And it is always unfortunate and a matter of regret to us who have to hear cases of this kind when circumstances sometimes make it necessary for railway lines to cease to operate and individuals as a consequence suffer loss and inconvenience.
>
> In some cases the loss, the inconvenience, may be very serious. . . . This Board does not manage railways. This Board is a court which must decide applications in accordance with the facts and the governing law. If this Board orders a railway to continue to operate in the belief or the hope that revenues will be available that will be sufficient to meet the expenses, and the Board's hope or belief is not realized and the necessary revenues are not forthcoming, the railway cannot come back to this Board and say: "You told us to carry on. We did so against our best judgment. Now we have lost so many more thousands of dollars we look to you to provide us with the money that was lost as a result of your compelling us to continue operation." The railways cannot come to us and ask that because, as I said, we do not manage the railways and we do not have the money to reimburse them for any losses that they incurred as a result of our order to continue operation. But in all these cases we look as closely as we are able to do at the effect of any order that we might give either to permit abandonment of the operation or to compel its continuance. . . .
>
> . . . Our main concern, and it is a very serious concern for us, is the undoubted hardship that will result to the employees who will lose employment as a result of abandonment. It is not a condition however that we can control. We all know that this area has suffered as a result of declining employment and it will be very hard for those people who lose their employment as a result of abandonment of this line to readily find other employment. We wish it were otherwise. We wish other employment were available that would enable them to stay home where they have made their homes. But, as I said, we are not masters of that situation, we cannot control it. . . .

It seems unarguable that while the quality of the recommendation quoted earlier may be somewhat indirect, there is a clear need for a permanent regula-

tory agency capable of continuing re-examination, and we will welcome the announcement that such a body is to be established. Indeed, if this is not done then nothing will be accomplished. For want of a better term we may call this new agency the Transportation Authority. In our opinion this body should have the widest possible powers of investigation; in general it should have no power of enforcement but its scope for recommendation should not be limited beforehand. Because of its broader powers the Authority must evidently absorb the abandonments function of the Board of Transport Commissioners, even though this may produce some objections on the grounds that decisions will become exposed to selfish political pressure. In fact this is unlikely if policy comes to incorporate, as properly it must, a comprehensive long-term analysis of transportation. If, against such a background there appears to be a need for the Authority to have some short-run manoeuvrability within defined limits, then any such judgments can be made subject to the final decision of the Authority.

The core study of the Authority must have a time horizon of not less than five years and in certain general respects it should perhaps be even longer. The implications of any single decision or event may be quite different when they are seen individually or as one element in a continuing process. Thus, for example, the CPR has estimated that it may want to abandon as much as 2,500 miles of track in the prairie provinces if higher freight rates are not forthcoming, while Premier Lloyd has said that in his province alone, altogether 2,600 miles of line serving one-third of the cultivated acreage may be considered. Again, the time period taken is also important because factors which dominate the short run may be swamped by events that will not appear until later. Perhaps the most obvious example here is the potential economic development of presently depressed regions but where future activity is sacrificed for the sake of an immediate company deficit. Under the present system any such possibilities can only be very superficially examined since the necessary forecasts and analyses depend largely on the limited resources of local Chambers of Commerce and Boards of Trade.

In preparing its study the Authority should have access to the long range planning program of the two major railway systems. In fact since the Authority must have such a plan of its own it would be apparent nonsense to proceed in ignorance of existing plans, as it could only mean great duplication of effort, the sacrifice of extensive company expertise and the promise of apparent contradictions whenever the Authority made any recommendations. Specific knowledge about company abandonment programs is of the first order of importance regardless of for what purpose the study is being undertaken, but it must at least be possible to integrate them positively into the economic development of each region instead of treating abandonments as though they were unforeseeable accidents of nature. Knowing the railways as we do, we anticipate but reject a claim that their plans be kept secret. The CPR often says that its position in the Canadian economy is no different from that of any other business, but this argument cannot be treated seriously. Our whole rail history of land grants, cash subsidies, rate control and government intervention in collective bargaining—not to mention successive Royal Commissions—alone should be sufficient to disprove the claims, but it is also true that rail transportation is a highly standardized product requiring such a large investment of time and money in all new capital goods that there is never a significant opportunity to obtain huge profits from secret and sudden innovation.

All attempts to bring order to our transportation industry will continue to fail, however, if there is once again no clear decision about a proper concept of earnings and costs both for the railways and for alternative transportation

systems. Three obvious cases badly needing clarification are briefly outlined below:

(1) Although the Board long ago succeeded in defining to its own satisfaction a permissive level of earnings in the railways, the relevance of land grants and other subsidies has never been settled. Thus it is hard to understand why, for example, present earnings from subventions and grants given at the time of the Crows Nest Pass Agreement should not be used to offset alleged losses allegedly attributable to those same rates.

(2) We have already quoted the MacPherson Commission to the effect that they could not offer a plan for abandonments because they were unable to settle upon a proper measure of line efficiency. However, so that they could make some estimate of the need for subsidies on this account, the Commission therefore reluctantly decided to accept density of traffic as an indication of profitability although they recognized that this system tended to mistreat lines of high density but low valued traffic and lines of low density but high valued traffic. Obviously a more realistic formula should be determined.

(3) When the two railways appeared before the Commission they estimated that their joint deficit on the transport of grain to export positions had been $70 million in 1958. The Commission however took the view that part of this deficit had already been allowed for in their recommendation for subsidies on light-density lines (a total of $13 million in 1958) and—more importantly—that the railways had included a rate of profit (10% before income tax or about 6% after taxes) which exceeded that provided by their permissive level of earnings formula. The Commission consequently reduced the deficit to about $22 million, so the methods of costing are clearly very important. In their argument before the Commission the Grain Organizations put the matter somewhat differently:

> If the method employed by the Railways in costing export grain movement were also used for costing passenger service, the deficit on a full cost basis for the Canadian Pacific for 1958 would be at least 75 millions of dollars and for the Canadian National 180 millions of dollars or a combined passenger deficit of some 255 millions of dollars. (Vol. 4 p. 178 of Summations and Arguments.)

And finally we may again quote the Commission's Report (Vol. I, p. 56):

> The very large disparity of results between the railway studies and those who challenged them is attributable to the general and specific lack of agreement on the assumptions necessary before any of the methods are applied. One such failure to reach agreement concerns the cost of maintaining track, in which four separate sets of assumptions were used; one by each railway and one by each of two challengers. All these four sets of assumptions have common elements, and taking these as points of departure, assignment of track maintenance costs can be made with confidence.
>
> When one considers that the truck with a smaller capital investment provides an operating unit with a very high proportion of costs variable with miles run and tons hauled compared to the railways with their great portion of "fixed" costs, it is easy to understand why the branch line densities on the railway systems of Canada have not noticeably improved over the past thirty years in spite of a substantial growth of total traffic on the railways.

This may or may not be a valid judgment, but the Commission apparently made no special effort actually to compute the relative importance of fixed costs other than as stated in one paragraph of a 95-page study of truck-rail competition prepared for the Commission by D. W. Carr and Associates. On

the basis of surveys and annual reports, Carr found that capital investment in freight transportation was "high" relative to other industries and that for the two major railways it was a larger proportion of total output than for trucks, but these estimates made no allowance for the fact that trucking firms had no direct investment in roadbed. Yet the Report of the Commission on Canada's Economic Prospects found that trucks pay considerably less than 60-65 per cent of such costs when they are properly computed on an amortized replacement basis (with the general public bearing the remainder.) The inescapable conclusion to be drawn is that the public as a whole cannot avoid bearing a large part of any deficit on right-of-way simply by transferring traffic from rail to highway. Thus, the total public interest cannot properly be served until all of the related costs are properly estimated.

So far we have only referred qualitatively to the effects that abandonments have on non-rail institutions, but of course these must be built in to any overall analysis. Even where it has been established that a given branch line is indeed uneconomic from the company's point of view it may still be economic from the point of view of the whole economy, and in such cases it patently would be to the nation's advantage to retain the branch line in operation. Costs that must be explicitly estimated here include:

(*a*) The relocation of retraining of persons put out of work by the abandonment.

(*b*) Revaluation of homes, farms and private businesses. Besides the obvious direct effects of devaluation, the indirect effects on municipal-provincial tax receipts are of equal importance.

(*c*) The cost of rebuilding abandoned grain elevators (a cost estimated by Saskatchewan to be as high as $75 million for 60 million bushels of capacity, at present construction costs).

(*d*) The cost of any necessary replacement or creation of such community services as schools and hospitals. (This is especially important when reduced tax revenues are probable).

(*e*) The building of new or better highways. (However tax revenues are again important).

Finally it seems to us that the remaining inferences for policy are now unequivocal: when total economic analysis has shown wherein lies the lesser cost to the country as a whole and this option has been taken, then it follows that the cost should be distributed over the country as a whole.

When uneconomic branch lines are to be retained the MacPherson Commission has already recommended the payment of subventions and the present government appears to have accepted the principle. For the long term, however, the most desirable solution may well be that of generating economic growth in the region in question. As we have already noted, this is one of the prime factors recommending a five year analysis of the social and economic conditions.

Since the Commission did not consider the non-rail institutions from this aspect, the Authority will have to determine the kind as well as the amount of assistance. For losses on private property this should include direct compensation, while in connection with replacement of elevators and community services accelerated or multiple rates of depreciation and facilities for low interest rate loans would be useful. However with respect to the group for which we are obviously most directly concerned, we submit that the appropriate solution is at hand: legislation that will finally activate s. 182 of the Railway Act in its plain and ordinary meaning and at the same time relate to it s. 29 of the Canadian National-Canadian Pacific Act. The statement of benefits to be provided by these sections is a lucid recognition of need. But s. 182 has never been effected, because

of controversy about the circumstance to which it referred. This controversy has included a judgment by the Board and a decision by the Supreme Court and we have made repeated, detailed representations to the Government on this matter before, the most recent occasions being December 12, 1962, and February 3, 1961.

Between them, the two Acts provide for an adjustment on separation allowance for employees laid off by the railways. For employees who are not laid off there would be compensation,

i. for all reasonable travelling and moving expenses of such employee and his family and for working time lost as a consequence thereof;

ii. for financial loss suffered in the sale of his home for less than its fair value, and in each case the fair value of the home in question shall be determined as of a date prior to the measure, plan or arrangement to be unaffected thereby, and the employing company shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other party;

iii. for financial losses suffered by reason of such employee holding an unexpired lease of the dwelling occupied by him as his home.

ASSOCIATED RAILWAY UNIONS

April 1963

OFFICIAL REPORT OF PROCEEDINGS AND EVIDENCE

This edition of the Minutes of Proceedings and Evidence contains the text of the Evidence in the language in which it was given, and a translation in English of the French texts printed in the Evidence.

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, OCTOBER 15, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

Messrs: T. W. Read, President of Division No. 4 of the Railway Employees Department, W. P. Kelly, Vice-President of the Brotherhood of Railroad Trainmen, F. E. Easterbrook, Vice-President of the Order of Railway Telegraphers, J. Walter, Assistant Grand Chief of the Brotherhood of Locomotive Engineers and A. R. Gibbons, Secretary of the National Legislative Committee.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

29504-8—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
McMillan,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*)
Watson (*Châteauguay-Huntingdon-Lapraire*),
(a) Webster—60.

(Quorum 15)

Maxime Guitard,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, October 15, 1963.
(3)

The Standing Committee on Railways, Canals and Telegraph Lines met at 10:10 o'clock a.m. this day. The Chairman, Mr. Prosper Boulanger, presided.

Members present: Messrs. Addison, Balcer, Beaulé, Bélanger, Berger, Boulanger, Cameron (*Nanaimo*), Cantelon, Cowan, Crossman, Crouse, Fisher, Foy, Gauthier, Grégoire, Gundlock, Howe (*Wellington-Huron*), Irvine, Kennedy, Lamb, Leboe, MacEwan, Matte, McBain, Muir (*Cape*), Orlikow, Pascoe, Rapp, Regan, Rhéaume, Rideout, Rock, Ryan, Tucker, Watson (*Assiniboia*), and Webster.—(36).

In attendance: Messrs. T. W. Read, President of Division No. 4, of the Railway Employees Department; W. P. Kelly, Vice-President of the Brotherhood of Railroad Trainmen; F. E. Easterbrook, Vice-President of the Order of Railway Telegraphers; J. Walter, Assistant Grand Chief of the Brotherhood of Locomotive Engineers and A. R. Gibbons, Secretary of the National Legislative Committee.

The Chairman opened the meeting.

Mr. Bélanger rose on a question of privilege relating to the unavailability of the French printed translation of the Minutes of Proceedings and Evidence of the last meeting.

The Chairman assured the Committee that the French printed translation of the Minutes of Proceedings and Evidence in question will be available before next meeting.

The Chairman asked the Committee Clerk to read the correspondence received since last meeting.

On motion of Mr. Foy, seconded by Mr. Balcer,

Resolved,—That all briefs intended to be presented to this Committee be forwarded in advance to the Clerk of the Committee for distribution to the Members in order to facilitate questioning at subsequent meetings.

And the examination of the witnesses continuing. At 12:35 o'clock p.m. the Committee adjourned to the call of the Chair.

Maxime Guitard,
Clerk of the Committee.

29504-8—1½

EVIDENCE

TUESDAY, October 15, 1963.

The CHAIRMAN: To make it official, gentlemen, good morning to everyone. The beautiful weather we are having surely must make everyone happy and I hope the meeting will be as jovial as the weather is nice. We now have a quorum of 15 so we can proceed.

As the first item of business I would ask our clerk to read any correspondence which he may have.

Mr. BELANGER (*Interpretation*): I would like to draw the attention of the Chairman to the inconvenience we are experiencing due to our having the proceedings of the first meeting in English only.

I would point out that while I can express myself in English I think in French, and it is my hope that we will have sufficient staff to produce the French version without a one year's delay.

The CHAIRMAN (*Interpretation*): Mr. Belanger, I quite agree with you and I will do everything within my power to see that the proper staff is supplied to fit our needs.

The secretary this morning called on the appropriate authorities and was given the usual answer that there was not sufficient staff to do the work. He was also informed that it would take a couple of days still to produce the French version which you have requested.

We hope to be able to meet your entirely justifiable request and produce the necessary French version next week.

Shall we continue now with the reading of the correspondence, please.

The CLERK of the COMMITTEE: I have a letter here in respect of the matter of amending the Railway Act with bill C-15, which reads as follows:

John C. Savage
30 Redan St., St. Thomas, Ont.
October 4, 1963.

Members of the standing committee of the House of Commons on railways, canals and telegraph lines,
House of Commons,
Ottawa, Ontario.

Dear Sirs:

In regards to the matter of amending the Railway Act with Bill C-15. We as railway workers for United States railways wish to ask for your support in adopting this amendment.

Even though we may be a minority group as far as Canadian railway employees are concerned we do feel that we do help in the support of our local community here in southern Ontario. We do our work, live and raise our families here in Canada.

Due to drastic cut backs on our particular railway because of automation and modernization we only have left men who have given the railways twenty or more years of their lives. We feel very deeply that these men

and their families are entitled to some consideration if the railways of today continue to make cut backs in the working force the way they have been doing recently. We therefore ask you as a member of the standing committee to give consideration to the provisions contained in this amendment, especially the explanatory notes contained in Bill C-15. Thank you.

Yours truly,
(Sgd.) J. C. Savage,
Legislative representative,
Lodge No. 47,
Brotherhood of Railway Trainmen.

Approved and supported by:
E. L. Ferns, lodge 131, brotherhood of locomotive engineers.
S. I. Houghton, lodge 5, brotherhood of locomotive firemen and engineers.
T. J. Hoy, divn. 16, order of telegraphers.
R. Wilkinson, lodge 919, brotherhood of maintenance of way employees.
J. H. Moodie, lodge 592, brotherhood of railway and steamship clerks.

The CHAIRMAN: Before we proceed I must repeat for the benefit of the members of this committee that a special motion was passed on the first day we sat as a committee that we must at all times have the services of an interpreter. I must agree that it is very unfortunate that we have not the proper facilities at our disposal. As we all agreed on this motion I must follow the rules. You will have to accept every thing which has been said in English and as interpreted into French.

Mr. ROCK: Mr. Chairman, I—

The CHAIRMAN: Just a moment. The clerk has another letter to read.

The CLERK of the COMMITTEE: I have another letter from the railway association of Canada, which reads as follows:

Mr. Prosper Boulanger, M.P.,
Chairman,
Standing Committee on railways, canals and telegraph lines,
House of Commons,
Ottawa, Ontario.

Re: Bill C-15, "An act to amend the Railway Act (responsibility of dislocation costs)"

Dear Mr. Chairman:

Further to my letter of October 7th, 1963 enclosing copies of a submission which this association had addressed to the minister of labour, I am pleased to enclose an additional twenty five copies in French for distribution to members of your committee. Additional copies can be made available, if required.

Yours very truly,
(Sgd.) G. A. Richardson,
General Secretary.

This refers to the brief which has not been submitted to date.

The CHAIRMAN: Gentlemen, we have a letter from the Sergeant-at-Arms which I will ask our Clerk to read. We will not be able to use the railway committee room on October 22, nor will there be any other committee rooms available on that day.

The COMMITTEE CLERK:

OTTAWA, October 11, 1963.

Mr. Prosper Boulanger, M.P.,
Chairman,
Railways, Canals and Telegraph Lines,
House of Commons,
OTTAWA, Canada.

Dear Mr. Boulanger:

We have been asked by the Minister of Public Works to clear room 308 west block for one complete week in order that his department might complete the installation of the simultaneous translation system. In order to comply with this request, it has been necessary to relocate the dominion-provincial conference on forestry—scheduled for October 21 and 22—to the railway committee room.

With the defence committee scheduled to meet in room 371 west block on October 22, we do not have, at the present time, another large enough room to accommodate your committee on that day. I hope the members of your committee will appreciate our predicament.

Yours sincerely,

(signed) D. Currie
Sergeant-at-Arms

The CHAIRMAN: Do you wish to say anything at this point in respect of this matter?

Mr. FISHER: I would like to ask the Chairman whether we are going to meet on Thursday morning?

The CHAIRMAN: I would like to decide first in respect of our sitting on Tuesday, October 22.

Mr. FISHER: We do not know how long this matter will take. Obviously we cannot sit a week from today. However, it has been the custom of a committee when it has a measure before it to sit at least twice a week, and sometimes three times a week. I would like to know whether it is possible for us to sit this Thursday in lieu of the fact that we will not be able to sit next Tuesday?

The CHAIRMAN: For your information I would like to remind you that on Thursday, October 17, there are several committee meetings scheduled, and some of our members are members of these committees. The food and drug committee is meeting at 9.30, the miscellaneous private bills committee at 9.30 and the defence committee at 10.30 and 3.30. These are the committees on the schedule now; there may be others set down before then.

Mr. FISHER: I would like to make the general point that we have not made a practice in this committee of postponing, switching or delaying our hearings because of what other committees are doing, unless it develops that they have pre-empted all available quarters. I think our basic problem is not that we sit on other committees, but that this committee has work before it to do, and it needs to be completed.

Mr. CHAIRMAN: Are there any other members of the committee who wish to speak?

Mr. FOY: I would like to comment on our last steering committee at which it was agreed that we meet every Tuesday from 10.00 a.m. to 12. This is an unforeseen situation, and it is unfortunate; but if we do change our days around, we will be balled up. I know that I have other commitments on that

day, and perhaps other members of this committee have as well. We have set aside every Tuesday until this work is completed, and I think most of the other members of the committee have done so, too.

I think it would be advantageous to members of the committee if the different organizations sent in their briefs ahead of time—I have these two here this morning—instead of possibly having a representative of the organizations, which have sent in these briefs, come here to read them to us. We might study them ourselves and prepare our questions for the committee before the meeting. I think that would facilitate things. It would take up a lot of time, which in all probability is not necessary, to have to listen to someone read these briefs to us. I move that this be brought before the committee.

Mr. GAUTHIER: (French)

Interpretation not made.

Mr. HOWE: Mr. Chairman, I do not think we will arrive at a position on Tuesday or Thursday when there won't be other committees meeting. If we prolong this procedure until we do find time available, we will lose all continuity of questioning. I think we should stay by our times for meeting and try to work them in as best we can. I know when I was chairman of this committee we tried to carry on our business in a continuous program so that we would not have any breaks. That is the only way to avoid our losing our chain of thought and questioning. Moreover, I think we might receive approval to sit while the house is sitting. We have witnesses here from a distance, and it would be unfair to them to keep them sitting here day after day and week after week. In addition, it is not fair to the committee to carry on this program over such a long time.

Mr. REGAN: I do not think we should sit while the house is sitting.

Mr. BALCER: I think Mr. Howe has said everything that requires to be said.

The CHAIRMAN: We have a motion before the committee which the Clerk will now read. It is moved by Mr. Foy and seconded by Mr. Balcer:

> That briefs be submitted in advance so that the members of this committee could read and study them in advance in order to be prepared for questioning.

The CHAIRMAN: Is the motion agreed to?

Motion agreed to.

The CHAIRMAN: Would you permit me to suggest that we might lose another half hour in discussion over when we should meet again. Do you not think that we should begin with our questioning, and at the end of the meeting we might open a discussion on this point and decide it? Otherwise we might be holding our witnesses for another hour, and the committee would not have had a chance to ask their questions. I think we should decide this at the end of the meeting.

The CHAIRMAN: Do you agree, Mr. Fisher? Does the committee agree?

Suggestion agreed to.

Mr. FISHER: I understand that this session is to end at Christmas, or at the end of the year. As I understand it, the Minister of Transport has legislation coming up which will come to this committee. Most of the members of this committee will be on the special committee dealing with the Canadian National Railways and the Trans-Canada Air Lines, which have two years of reports to be examined and approved. Might I ask you to get some indication for the future as to when this material is likely to come in, because if we are going at the rate of one committee meeting a week, and if we do not meet while the house is sitting, we will never handle this much business in the next two months.

The CHAIRMAN: I will do my best to find that out for you, and we will postpone this subject matter until later. Now we shall resume the questioning on the brief presented at the last meeting by Mr. F. H. Hall. I shall ask the various witnesses to come up to the front and give us their names right away so that we may know who is who.

Mr. A. R. GIBBONS (*Vice president of the national legislative committee, Brotherhood of Locomotive Firemen and Engineers*): Mr. Chairman, I wonder whether it would be agreeable to the committee if we answered from here because there are specific questions which we would like to reply to through other people.

At the far end of the table we have Mr. Stuart Wells, director of research; Mr. William Kelly, vice president of the Brotherhood of Railway Trainmen; Mr. F. Easterbrook, vice president of the Order of Railway Telegraphers; Mr. J. F. Walter, assistant grand chief of the Brotherhood of Locomotive Engineers; and my name is Gibbons, and I am vice president of the National Legislative Committee and representative of the Brotherhood of Locomotive Firemen and Engineers.

Mr. RIDEOUT: At the very end of the last meeting, Mr. Chairman, I believe Mr. Gibbons brought up the point that in the United States they have a job security agreement. In speaking with him informally after that meeting he advised me that this type of legislation functions very well in the United States. I am wondering whether it would not be a good idea if we had a copy of that legislation as it might be the answer to our problem that we are looking for. I am not trying to waive out bill C-15, Mr. Chairman, which does work along the same lines. However, you will agree that the Railway Act is very confusing and contradictory. It is my opinion that we should start out with something that has been proven, such as the legislation to which I have made reference. I am correct in this regard, am I not; this has proved successful in the United States?

Mr. GIBBONS: Yes. As a matter of fact, Mr. Chairman, the Washington job protection agreement was an agreement worked out in the United States in 1936. We do not have a copy of it here this morning but, if I may point out to you, the amendment to the Canadian National-Canadian Pacific Act in 1939 is a direct take-off from the provisions of the Washington job protection agreement. In 1939 the Canadian National-Canadian Pacific Act in Canada was amended to provide for compensation to railway employees who were adversely affected as a result, let us say, of contemplated cooperation between the C.N.R. and C.P.R.

The Washington job protection agreement in itself was designed to look after the displacement of those people who were affected and who lost their employment in the United States as a result of mergers. But, the interstate commerce commission, which is a counterpart of the board of transport commissioners, has used that during the years to assist the employees who were adversely affected as a result of merger problems, and many other things instituted by the railroads which originally were not contemplated in the drafting of the act. So, it has been given very broad interpretation. But, as I said, the amendment in 1939 of the Canadian National-Canadian Pacific Act in Canada is, in effect, the Washington job protection agreement. Does that answer your question?

Mr. RIDEOUT: Yes.

The CHAIRMAN: Before we proceed further, Mr. Rideout, would you like to make an official request that we have the copy referred to by you.

Mr. RIDEOUT: Yes, Mr. Chairman, I think it would be very helpful.

In view of what Mr. Gibbons said, I am wondering if we have not it, in effect, now. Did I understand correctly that the interstate commerce commission interprets it differently from the board of transport commissioners?

Mr. GIBBONS: Mr. Chairman, the Washington job protection agreement is applicable in the United States; it was designed to alleviate the hardships imposed on employees in the United States as a result of mergers, amalgamations and so on. In 1933 the Canadian National-Canadian Pacific Act was enacted in Canada and what brought it about was that there were those who felt we should have unification under the C.P.R. whereas against that there were those who felt we should have nationalization under the C.N.R. In 1932 the commission came out with a suggestion and recommendation that there should be a Canadian National-Canadien Pacific Act which was designed to provide cooperation between the C.N.R. and C.P.R. In 1933 the act was enacted.

Subsequent to 1933 the C.N.R. and C.P.R. pooled certain of their own services from Montreal to Toronto, as a result of which Brockville, the divisional point, was adversely affected and some 60 odd people had to move. Directly as a result of this our predecessors requested an amendment to the Canadian National-Canadian Pacific Act, and in 1939 the act was amended. The amendment contains the same provisions as the Washington job protection agreement. However, it never has been applied in Canada because we never have had the co-operation as contemplated in the act.

Mr. RIDEOUT: I do think that if this was applicable, if it operated and was put into effect, that would do and this would not be necessary, would it?

Mr. RAPP: Mr. Chairman, I would like to get some information of what effect this bill or similar legislation will have on the proposed C.N.R. master agency plan. I do know the telegraphers have expressed their concern about it. They are aware of the fact this is only the first step to the abandonment or disposition of the railway station agent and then, eventually, of abandonment of some of these railways. I would like to hear from some of these gentlemen what effect legislation similar to that of bill C-15 will have to forestall such things as the telegraphers have expressed in their presentation of briefs.

Mr. GIBBONS: May I introduce brother Easterbrook of the order of railway telegraphers, who will answer your question.

Mr. F. EASTERBROOK *(Vice-President of the Order of Railway Telegraphers)*: As I understand the question, Mr. Rapp, it is what effect the change envisaged by this bill would have on the master agency program of the C.N.R. Am I correct in that assumption?

Mr. RAPP: Yes.

Mr. EASTERBROOK: The answer is that it would not have an effect on the master agency program, but the change in the act as proposed would compensate those employees who are going to be dislocated and required to move, with an eventual loss of employment to those on the bottom of the seniority roster.

The CHAIRMAN: Is your question a supplementary one?

Mr. RIDEOUT: Yes, I have a supplementary question. Would you not say that if this bill was in effect, the cost would have some bearing on whether they were going to close an agency. Would it not increase the cost of setting up your master agency?

Mr. EASTERBROOK: Yes, that is correct.

Mr. HOWE: On a point of order, Mr. Chairman, I recall that at the last meeting Mr. Foy brought up the question of having a brief before us and that to facilitate the handling of this subject we should proceed either page by page or paragraph by paragraph. I believe at this time we are running off on

a tangent. It is my opinion that general questions could be left until the end of the brief, as that is the suggestion that was made.

The CHAIRMAN: Yes, I think you are quite correct in what you say. That was agreed upon Mr. Howe.

Mr. FISHER: Mr. Chairman, if I could round off what has been referred to in the last two questions, then I would be very happy to revert to the brief.

I would like to ask the spokesman of the brotherhood if it is not correct that the Canadian National-Canadian Pacific Act is too narrow at the present time to really offer the kind of protection that an amendment to the Railway Act would give.

Mr. GIBBONS: The answer to Mr. Fisher's question is yes, unquestionably yes, because the Canadian National-Canadian Pacific Act deals only with co-operation between the Canadian National Railway and the Canadian Pacific Railway. We are expressing concern here about many other facets of the situation which may be inaugurated and carried through by one or other of the railways with total disregard to the other. When the Canadian National-Canadian Pacific Act amendment was drafted in 1939 they said that "despite the protection given to employees as contained in section 182 of the Railway Act". So, the parliamentarians or legislators had in mind there was compensatory features in the Railway Act, and they said despite that we will set out a definite schedule which will provide in dollars and cents what will be paid by the parties to the agreement.

Mr. FISHER: In the telecommunications field the Canadian National and the Canadian Pacific Railways at the present time have underway a number of co-operative projects at Port Arthur, Fort William and Cornwall, and this looks as if it might be a pattern for other parts of Canada. I would like to ask Mr. Easterbrook whether the Canadian National-Canadian Pacific Act gives protection to the people affected by the changes which have taken place, and those which are contemplated.

Mr. F. EASTERBROOK: The answer is no; the C.N.-C.P. Act provides no compensation.

Mr. FISHER: Why?

Mr. EASTERBROOK: It does not apply to transfers such as would be involved.

Mr. FISHER: I believe Mr. Gibbons wishes to elaborate on the answer, Mr. Chairman.

Mr. GIBBONS: There was a situation involving the commercial telegraphers, and I am sorry the representative is not here today. An application was made which was found to be outside the jurisdiction of the board of transport commissioners.

If I may, I would like to give a supplementary answer to a question asked relative to what effect the closing of the agency would have on the master agency plan. Mr. Easterbrook mentioned there would be an added cost to the railways. I think he should bear in mind that the Canadian Pacific dispensed with 176 caretakers in a certain period of time, and contended in its statement to the MacPherson royal commission that the annual savings would be in the order of $875,000. If the company had been required, as we believe was intended under section 182, to provide some compensation to the men displaced, the cost would not have reached the sum of $875,000. But, more important, it would have been a non-recurring cost item, whereas the savings are annual. I think we would like you to bear that in mind.

Mr. FISHER: I would like to ask a question arising out of paragraph one of the brief. I can lead into it by making an assumption that I think the witnesses will agree that the railways have set out properly from a legal point

of view to get around section 182 of the Railway Act by such things as putting in a caretaker in order to free themselves from responsibility. In view of what is said about the revolutionary structural changes that have taken place, I would like to ask the witnesses what conclusions they have come to about railway management's attitude towards the responsibility of the railways to the employees in any loss and suffering that are occasioned by the changes.

Mr. GIBBONS: Mr. Chairman, it is indeed very difficult to try to assess what motivates the thinking and action of other persons. I think we would have to say that we look at this from a somewhat prejudiced point of view because of our interest in the employees. I can only speak for myself, but it does seem to me that steps are being taken to circumvent the act. We have only one specific case which was ever taken before the board of transport commissioners, and the difficulty there was to establish whether or not abandonment legally took place in the big valley situation.

The brief which was presented to the board of transport commissioners, we thought, indicated that the railways were circumventing the application of the act by reducing their crews from 25 down to two; one passenger job and one way freight job, and a foreman who looked after an engine three nights a week where ordinarily a watchman would do this work; a car foreman had the task of looking after certain of the cars that came in, and was not equipped to do major repairs or anything like that. We thought we had proven that the railways were circumventing the act, but the board ruled in the strict legal sense rather than in equity, that abandonment had not taken place despite the fact that 22 crews were required to move to other terminals. It seems that if the Canadian National and the Canadian Pacific railways co-operate to the extent that they are going to eliminate a group of telecommunications services in a town or city, that equitably the act would apply; but again we met with a no answer.

Mr. FISHER: I assume from the answer that the Railway Act and the work of the board of transport commissioners as delegated to it by the act have not been effective. I would like to ask a general question for the information of my colleagues as well as myself. What is the situation in so far as the national board of adjustment is concerned in dealing with this kind of a problem. Would you explain whether the board has any role at all in this particular area?

Mr. GIBBONS: The Industrial Relations and Disputes Investigation Act requires that there must be a provision in every contract of agreement for the final resolving of any dispute arising out of a contract. This is law. Some of our organizations participate together with the railway companies, and the provision we have in our contracts for final settlement of such disputes is board of adjustment number one. This is the final settlement of differences arising out of the agreement. So, the application that we are making would have no bearing whatsoever on the Railway Act; it is under labour relations, and is under the I.R.D.I, act, and has no bearing here.

Mr. T. READ (*President, Division No. 4, Railway Employees Department, A.F.L.-C.I.O.*): Further to the answer Mr. Gibbons gave you, in the shop craft group, which is represented by myself and my colleague, we do not go to the railway adjustment board; we go to the subcommittee of the railway association. There is a subcommittee set up for final dispensation of grievances. The only thing which is different in respect of the settling of grievances is that the adjustment board has a clause in their settlement procedure which gives them the choice of a referee in the final settlement of the grievance. In our case, under the Industrial Disputes and Investigation Act, if we do not settle with the railway association subcommittee, then we are forced into arbitration for final adjudication. These things come about in the closing down of different plants, such as at Stratford and other places which are going out;

Stratford will be going out around 1965. There is no place for these people to go; the work has just disappeared. There has been work put in at Stratford for the remaining few men, but once that is done, the work will have disappeared, and these people will not have the privilege of transferring to another point.

Mr. ORLIKOW: Mr. Chairman, I would like to ask two questions. First of all, as I understand it, what the railway unions are telling the committee is that the railway companies are interpreting the law in a very legalistic and very narrow sense, and that whenever an appeal has been made to the board of transport commissioners, their interpretation has been upheld by that board, but therefore, the companies have been able to very drastically reduce services without making provisions for the employees.

Mr. Gibbons mentioned the case where they substituted a complete run by putting in caretakers; then we have the case of the section of the transcontinental service where they have taken off, as I understand it, at least for a good part of the year the sleeping cars and the dining car. I suppose a year from now when there is very little service, because nobody will travel under these conditions, they will come to the board and ask to take off the whole train because it is no longer any use. They will kill the service, then say there is no need for it and let us get rid of it.

As I understand it you are saying that if there is going to be any benefit for the employees, the act has to be rewritten so that this interpretation cannot be put on it by the companies, and upheld by the board of transport commissioners. That is the first question I would like to ask.

My second question is this, Mr. Chairman: If, in the case of the telegraphers, where it is so obvious the two companies are getting together openly to pool their services so that they can get rid of a large number of their office facilities, their lines and their employees because they no longer have duplicate service, and if that can be interpreted by the companies—and I presume, upheld by the board of transport commissioners as not being within the purview of the Canadian National-Canadian Pacific Act to protect employees when there is amalgamation then what good is the act?

The CHAIRMAN: Gentlemen, I would humbly ask you to make your questions as short as possible for the benefit of the interpreters. Although we are perhaps, in the opinion of some, wasting a good deal of time, it is for the benefit of the committee as a whole. Again, I would ask you to make your questions as short as possible. Mr. Orlikow, you have asked two questions, and altogether, it is a pretty good speech.

Mr. ROCK: There have been quite a few speeches here today.

Mr. GIBBONS: The answer to both questions, in brief, is yes. This is the reason we are here and this is the reason that since 1958 we have been making annual presentations to the government. I do not say the railways interpret it in such a way but the board of transport commissioners, namely the assistant chief commissioner, on a point of law overruled the other two commissioners who heard the case and his decision was subsequently upheld by the Supreme Court of Ontario. This was in connection with a particular case where a total abandonment had taken place. He ruled that the act did not apply.

In respect of the Canadian National-Canadian Pacific Act, the MacPherson royal commission has recommended that as it serves no useful purpose it should be repealed. We disagree with that because we feel here is the only criterion on which the board of transport commissioners could logically base a decision that could arise out of section 182, and, if we were successful, obtain the relief that is there in principle but not legally.

Mr. Rock: Mr. Chairman, the questioning started off with Mr. Rideout; he asked Mr. Gibbons a question in respect of some act in the United States, the job security act or something to that effect. while we are discussing that I would like to ask a few questions. However, in the meantime Mr. Fisher stated he had two questions to ask, then stating he would revert to the brief, which I felt in some way was closing this matter.

When Mr. Rideout asked a certain question the discussion seemed to switch to the Canadian National-Canadian Pacific Act and the question was not really answered. Mr. Rideout asked Mr. Gibbons whether this act in the United States was available to us if we could have a copy of same; and, if so, whether this would more or less settle the question without, say, cancelling bill C-15. You were asked what legislation the United States have, but instead of answering that you swung into the Canadian National-Canadian Pacific Act which had something to do with amalgamation of certain systems, as a result of which there are still some questions hanging in the air in respect of what this act in the United States really does. I would like to have this clarified, after which I would like to go to something else immediately.

Mr. Gibbons: I am very sorry if I mixed my answer up. What I was trying to imply was that it was unnecessary to have a copy of the Washington agreement because the provisions of the Canadian National-Canadian Pacific Act are identical. The stipulations contained in the Canadian National-Canadian Pacific Act are taken directly from the Washington job protection agreement.

But, in answer to your specific question, we will have to make available copies of the Washington job protection agreement and subsequent agreements in the United States that bear on the Burlington conditions, as well as several others, which have been cited as cases based on the Washington job protection agreement in the United States. What I was trying to do was to make them simpler and easier by saying that we do not require that act because if you want to know what it contains, look in the Canadian National-Canadian Pacific Act; it is identical.

Mr. Rock: The answer which you gave, Mr. Gibbons, is about the same as previously given, in a sense, and I think in this case we should try and obtain copies of this act which is in the United States so that we can take a good look at the type of legislation they have there.

The other subject I want to approach now is who are you trying to protect, the employees who have worked, say, for a year or two years, those who have worked from one to five years or from five to ten years, because I understand also within your union agreement you have bumping clauses, in a sense. I recall a time when there was this big change from steam to diesel and there were protected employees who were able to bump a person from here to another part of Quebec and take his job over because this person did not have the amount of seniority as the person here. As a result of this, that person had to bump someone else somewhere else. Are you trying to protect the newest employees or the ones who have been in service for 20 years? As well, does the bumping clause in all these union agreements not cover this in the sense that they are protected in their jobs, except possibly for moving from one district to another?

Are you just trying to compensate these people who move from one town to another, period, or to compensate them in a case where if they are not satisfied to move there they should be paid a certain amount of money for certain periods of time until they find a new job? There is that big question hanging in the air, in my mind, in that connection.

Mr. Gibbons: The direct answer to those questions can be found in our brief and the contemplated revisions, which we would like you to consider at page 14 to section 182, cover the situation. We are not here to tell you who

should be paid and what amount he should be paid; we suggest that if the appropriate amendment is enacted here it is the board of transport commissioners which would be involved. We have explicitly said the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence or loss of employment necessitated thereby. I think you do appreciate each case will have to be dealt with on an individual application and basis to the board of transport commissioners. We are not asking you to legislate for all and sundry in respect of the fellow with one or two years seniority. I do not believe we have any in this category except, perhaps, one or two department classifications, say signal maintenance or communications which are perhaps, expanding, as a result of which the act would not be applicable because there appears to be an opportunity for expansion of employment in that regard.

At the present time in Newfoundland we have people with 20 years seniority who are unable to work, as well as people immediately below that, who are displaced; they have to move from one place to another, consequential upon a change of operations together with a loss of business. But, the people with whom we are concerned are those. And if I may cite a case, there was a person with 35 years seniority in Kamsack, Saskatchewan; this man could not hold a job of his own choosing in that town, with the result that he had two alternatives; he could go back as a locomotive fireman and take a cutback or go to another terminal to work where he would have to maintain his own home and not live in the bunk house, as a result of which he has the additional cost of two homes. These are the people with whom we are concerned. I think what I have to say now will answer Mr. Regan's question when he suggested that people who are in a city would probably have no problem in respect of moving their real estate. You can appreciate that in a city there perhaps would not be the same problem that would present itself if we moved out into the west where wholesale abandonments of branch lines are contemplated and where a whole town would be disrupted. In this respect, to whom are you going to sell the property? These people have a life long investment in a property within a community. There would be no need to run to the board if a fellow lived in Ottawa and was transferred to Montreal because it is obvious the board would rule there was no compensation coming to him owing to loss of real estate value. However, the compensatory feature would come into effect in these communities where there would be no one to purchase the properties.

Mr. Addison: Mr. Gibbons in his last answer spoke about the expansion of employment. In this brief presented to the committee, the opportunities for employment would appear to be rather pessimistic. Certainly the last page of the brief shows the drop-off in employment. However, I understand that the Ontario government, along with the Canadian National and Canadian Pacific railways have conducted a survey and investigation of the possibility of an elaborate commuter service in the metropolitan area of Toronto. I also understand a similar approach was taken in respect of the Montreal area. I would like to ask Mr. Gibbons if any consideration has been given to the expansion of employment, which the railways, in all probability, will be prepared to give the surrounding area?

Mr. Gibbons: I think if the gentleman's remarks could be answered from the optimistic viewpoint of increased employment, we would not be here today asking for protection for those who, from our experience, are in need of assistance. We would be only too willing to participate in programs of any description in order to attain employment opportunities. If increased business is offered to the railways, we certainly would be willing to co-operate in any way we could, because it certainly is better to have employment oppor-

tunities for these people with whom we are concerned, rather than to provide compensation for them which we honestly believe is a last resort. However, we have a responsibility in this regard which we are bringing forward in this form. I have read some of the plans which are contemplated with regard to the commuter service. Naturally, this is management's prerogative, and if management can find ways and means of using tracks rather than tearing them up in abandonment, then our answer would be amen.

Mr. ADDISON: I would like to ask a supplementary question of Mr. Gibbons. I take it from your remarks that the unions are prepared to co-operate in a system whereby commuter service would be made available to the surrounding areas of, say, Montreal and Toronto, and I assume that the unions involved are aware of the investigation and survey that has taken place by the Ontario government. Do the unions look forward to an increase in employment by providing this service when it is available?

Mr. GIBBONS: I would like to ask Mr. Kelly, the vice-president of the brotherhood of railway trainmen, to answer that.

Mr. W. P. KELLY (*Vice-President, Brotherhood of Railway Trainmen*): Mr Chairman, naturally we are most interested in commuter service; it would provide more job opportunities. We have discussed with the railways the advisability of the commuter service; but I think a fair question to put to the railways would be what is their intention in respect of Toronto or Montreal with regard to job opportunities, and whether the employees would be men in the employ of the railways, or would this be turned over to the transit authority? I have had some discussions on this with officers of the C.N.R. We have discussed the negotiations which have been going on in Montreal for some time. It is my impression that if there was anything finalized in respect of turning over the trackage to the Montreal transit authority, that this would not provide any job opportunities for men in the service of the railways. The situation in respect of Toronto is that we are not taken into the confidence of the railways on these matters, or have not been at this stage. I think the question should be put to the railways as to what their intention is with regard to their present employees having to do with expansion of the commuter service rather than having it turned over to the Montreal or Toronto transit authorities.

Mr. REGAN: Mr. Gibbons, one of the problems in respect of procedure before this committee is the difficulty in continuity of a series of questions because of the number of persons involved. Last week I believe I attempted to touch on the question of collective bargaining only slightly during the questioning period. In today's conditions, in view of the recognition of many people that the railways should not be tied as tightly by regulation as they have in the past if they are to effectively compete with other types of transportation which have been cutting into their revenue—and because of these considerations the railway needs to have a more elastic type of operation—would it not be better to have questions such as these dealt with by collective bargaining and direct negotiation between the unions and the railways, rather than by legislative action?

Mr. GIBBONS: Mr. Chairman, I would like to answer what I consider to be one part of the question, and then ask Mr. Kelly to answer the second part. The MacPherson royal commission report, volume II, page 124, had this to say with regard to labour—and I must say that in their way voluminous reports they gave very little attention to the labour question:

> The removal of rail lines will inevitably affect labour. It is believed that the gradual program that has been suggested will enable labour, displaced in one segment of the business, to be largely absorbed into other more profitable segments. Despite this, there will inevitably be

problems of relocations and some loss of jobs. Full and frank disclosures should help to allay fears which are often worse than the realities of the situation. Without minimizing the problems involved, the commission is confident that enlightened railway and union management can solve them with a minimum of hardship. The objectives are similar in both, a profitable rail enterprise that can afford to pay reasonable wages. We believe that direct co-operation between the parties concerned is the most efficient method of arriving at lasting solution to these problems. This is not to say that railway labour should be excluded from any plans the government may have to assist in the problems of technological unemployment and relocation of labour forces by retraining or other means. Nor is it suggested that special assistance in this field should not be made available if the parties concerned can demonstrate their need.

This is what we are attempting to do before you, sir—to demonstrate our need.

In discussing the full and frank negotiations, I would like to call on Mr. Kelly, of the brotherhood of railway trainmen, who was involved in negotiations on this matter.

Mr. KELLY: With regard to collective bargaining, dealing with one problem, interdivisional run throughs, as they are known, this matter has been brought to collective bargaining. I would like to go back to 1958. At that time the Canadian Pacific Railway in negotiations with the brotherhood of railroad trainmen submitted a request for a rule to be incorporated in the collective agreement to provide for interdivisional or interseniority district runs. In the course of the negotiations the brotherhood was prepared to negotiate on this rule on the basis that the fundamental rights of the employees would be negotiated on any rule. This subject only went to conciliation. The conciliation board recommended the adoption of such a rule, but the rule would not go into force until the fundamental rights of the employees had been determined. The board further offered its services to again take jurisdiction of the dispute if the parties failed to agree on the fundamental rights of the employees. Subsequently there was failure of the parties to agree and a joint request was made for the board to be reconvened. The parties appeared before the board, and at that initial hearing, at the reconvening of the board, the Canadian Pacific Railway announced their intention to withdraw the request for such a rule. The brotherhood, on the other hand, said while the matter was in collective bargaining, it should rightfully remain there and be determined. The board scheduled further hearings. The Canadian Pacific Railway obtained an injunction against the board of conciliation to have further sittings. The injunction was heard in the Supreme Court of Ontario, and the injunction was quashed. The position of the railways was that the board was functus officio and had served its purpose. Subsequent hearings were heard by the board but the company boycotted these hearings. A report was made that a collective agreement had been signed at that time and there was nothing further on that matter. In 1961 the brotherhood, in negotiations put these in a broader concept, requesting a rule in the collective agreements to provide that there would be no actual change or alteration of conditions of employment made during the currency of the contract unless agreed upon by both parties. I should point out here it is very important that we understand what we are discussing when we say "the currency of the contract" because under the Industrial Relations and Disputes Investigation Act a contract must be for a set term; under the interpretations of that act although employees are prohibited from using their economic strength during the term of the agreement the employer is not prohibited from inaugurating these changes during the

currency of the contract, and this has become a major problem in the railway industry. These innovations are inaugurated when the employees have no recourse. This dispute was subsequently heard before a conciliation board and the brotherhood was not supported in its position in the majority report of the conciliation board. However, the chairman of that board, Judge Robinson, said this is a merger problem which will require full cooperation of management and labour alike, which is generally recognized, but it would appear the solution is not likely to be readily found and may require the attention of parliament itself.

The CHAIRMAN: I would like to point out at this time very particularly—and I hope the newspaper men who are present today will not take what I have to say as something I want to do against the rule of this committee, but—

(*Interpreter*): The Chairman wishes to address certain remarks, particularly to the French speaking members. He pointed out that when the committee began its sittings this morning we had four French speaking members present, namely Messrs. Bélanger, Grégoire, Beaulé and Gauthier but these members have left the committee. The Chairman further points out it was those members who requested the services of an interpreter. He says he does not wish to infringe upon the full rights of the members of the committee but he was entitled to ask for interpretation services. At this time he would like to draw attention to the fact that these members have left, and he asks whether he has the permission of the French speaking members who remain, such as Mr. Balcer, who is perfectly bilingual, and Mr. Matte, to dispense with translation.

(*Interpreter*): Mr. Balcer said that having accepted it, to dispense with it now would be absurd because four members have withdrawn since presumably the questions under discussion are not of particular interest to them. He thinks that is a matter of principle the interpretation services should be retained.

The CHAIRMAN: I will agree to that, but I have my duty.

Mr. REGAN: I have a supplementary question for each of the two gentlemen who answered the original question, Mr. Kelly and Mr. Gibbons.

Mr. Kelly, is it not a case that you have said in respect of collective bargaining it does not make collective bargaining unsuitable for this topic but only that you have not been successful as part of a package deal in obtaining these considerations in a collective bargaining negotiation as yet? Surely the total cost of any package under which your new contract is realized must take into consideration the cost of new provisions of this type, be they legislative or be they achieved by collective bargaining? So, is there any reason to feel you would not in future negotiations be able to obtain these provisions you now seek or these terms as part of collective bargaining, if you are prepared to consider them as part of the over-all package costwise to the company?

Mr. KELLY: I would say that in my personal opinion it would be most difficult through the field of collective bargaining. We feel that legislation exists which at this time should be clarified and it should either state what it means or we should have some final knowledge of just what this legislation means to us. In my personal opinion and from my experience in the field of collective bargaining, I would think there would be considerable resistance met. When we say that collective bargaining has failed we might be accused of not pressing collective bargaining to its final limits, as at this time we are being accused by some of our membership, particularly in western Canada, who are talking of wild cat strikes. To make the final test in this matter of collective bargaining would be to submit this nation to a serious strike, in my opinion. May I say we always have acted in a very responsible manner

and if there is any method or avenue or approach to this problem without the use of that method, we would like that alternative to be given very serious consideration.

The CHAIRMAN: Have you a supplementary question, Mr. Rideout?

Mr. RIDEOUT: Yes, Mr. Chairman. I am on item number one.

Mr. FISHER: Mr. Chairman, I think Mr. Regan has opened up a very important line of questioning which, it seems to me, the members of the committee will want to get perfectly clear, and that is that collective bargaining processes cannot be used to solve a problem that is envisaged by this type of legislative amendment. Because of that I would like to ask Mr. Kelly or Mr. Gibbons a further question. They have referred to difficulties in western Canada. I may say that I have been involved in these difficulties and I think an elaboration of them may give the committee some information as to why the collective bargaining process is the wrong one, in a sense, to handle these questions. And, in particular, relating to this I would like Mr. Kelly, in aligning this, to go on to show whether a freezing of any changes during a contract period would be any answer either for the railway or the unions.

Mr. KELLY: Well, with regard to the situation in western Canada, I note that some of the western members who were at the last meeting are not in attendance today to continue with this line of questioning. However, what it amounted to was a notification by the C.N.R. that on a certain date they would operate through certain terminals in the west. This notification was received at a time when the contract was in force; in other words, the employees had no recourse, or there was no avenue for sincere negotiations. The railways informed the employees that while they were not prepared to negotiate the matter, they would discuss it with them. There were consultations held but no negotiations. This resulted in a very loud uproar from our employees in the west, and as the date approached there were threats of work stoppages even if they should be considered illegal under the act. There has been postponement of these run throughs at the present time. So far as freezing on this question is concerned, I do not know how helpful a freeze would be because inevitably I think there must be answers to these problems. I do not know what Mr. Fisher had reference to in respect of the freeze.

Mr. REGAN: During the course of the agreement?

Mr. FISHER: Yes; during the course of the agreement.

Mr. KELLY: I think it would be valuable during the course of an agreement, because I think then both parties would come to the negotiating table in possession of their full rights under the law, and I think then sincere negotiations would take place. As I stated, however, these innovations are being introduced at a time when the contract is, you might say, locked up, and when the brotherhood is not in possession of its full power of negotiation.

Mr. BALCER: Mr. Kelly, in the last dispute between the non-ops and the railways Mr. Justice Munroe in his final judgment brought forward some provisions to meet automation and the various troubles that had come to the employees, and certain provisions were to be included in the new contract.

Mr. KELLY: As I understand it that was dealing with job security and in the findings of that board there was a recommendation to the effect that there would be a fund established with the contribution of one cent an hour by the employees. It is my understanding there has been negotiation and discussion from that time up until now as to how this would be managed with the railways taking the position that it would be severance pay only. In other words, an employee who had perhaps an opportunity of recall in

later years would have to sever all his employee relations with the railway in order to obtain any benefit from the fund. I think it was submitted that the best it would provide would be $15 a week for a limited time.

Mr. GIBBONS: We have one of our members with us who was directly involved in the negotiations referred to by Mr. Balcer. May he be permitted to reply?

Mr. READ: The question asked by Mr. Balcer was in regard to the security program in the case of negotiations with the railways emanating from our last negotiations through arbitration of the security program which now has been put in. There are still arguable points within it as to how we are going to come to what we desire, and what the railways desire in respect of a security program. As was said a moment ago, the company wishes to base the whole thing on severance. There is a time period allotted to that; a certain amount of time must elapse, and if a person is over that time limit then he will be severed from the company's service. We do not require that, and we do not need it; this has been proven in the last few months. When the Canadian government announced the wheat deals that have been going on, the railways decided they needed equipment to handle it, and we have people who have been out ten years going to work today to meet those requirements of service. Now, if the benefits set out by the railways were such that a man would sever his connection with the railways after one year of being laid off, regardless of how much seniority he had, he would receive so much payment out of the fund, the fund of one cent per hour for all time worked. The fund has not been touched as yet. This was commenced in negotiations on November 2 last year, and there is no agreement reached at the present time. The non-operating railway groups at the present time are in the throes of setting up arbitration of certain facts before we can even get started. As you can understand, in respect of these people there is an awful lot more to it; each organization must, of necessity, expand the geographical territory so far as seniority is concerned. Once these geographical territories are expanded, an individual laid off at point A where he has been working for, say, ten years, must now go out on the geographical region and secure employment out there where he can displace a junior individual. That necessitates the individual moving from one point to another, and also keeping two homes if he does so. If he is a single man, it is all right; but a married man with a family must maintain two homes, one at the division point where he started working, and another further away. If a man is laid off at point B, he now replaces a junior man at another place, and must move around continuously. This is a type of legislation which is something to protect these people in respect of a situation of moving and being thrown out of work. This is what happened, and this is why the security program is tied down at the present time with no settlement up until now.

Mr. BALCER: The reason this was brought up is that we know very well that the railway people—

The CHAIRMAN: Just a moment. We will have this interpreted.

Mr. RIDEOUT: Mr. Chairman, I would just like to amplify what Mr. Rock had to say. Is it not a fact that the big wheel is still in existence in district two?

Mr. J. F. WALTER *(Assistant Grand Chief of the Brotherhood of Locomotive Engineers):* Yes, I understand it is.

Mr. FISHER: What is that?

Mr. RIDEOUT: Mr. Rock said you cannot jump from one place to another. I think district two covers Riviere-du-Loup to Montreal, and anywhere in this

area you could exercise your seniority. This might be brought about by the fact that extra locomotives are made up at Riviere-du-Loup and by the exercise of seniority someone will travel to Quebec city and displace someone there. It runs down the line. I cannot see how this can be effective. This must be written into an agreement because of the complexity of the situation. With this 18 months rule, if a fellow stays at his home station instead of accepting a promotion, then the fellow down the line is affected. It must be negotiated into the agreement so that you can appeal the case to board of adjustment number one. Otherwise you would have to go to the board of transport commissioners, or come back here. I think it has to be negotiated into the agreement.

Mr. WALTER: The only answer I can give is that attempts have been made to negotiate it into agreement. Mr. Kelly outlined the experience he had with the Canadian Pacific Railway, and the subsequent hearings before the conciliation board, and the eventual difficulties in trying to get some sort of a rule into our agreement. We had a similar experience in connection with the brotherhood of locomotive engineers, and this went to conciliation. We have not been able to get this into a contract rule and, of course, if it does go to the limit, then, of course, that may require the tying up of service—that is, if the brotherhood have to eventually take this into negotiation and take it all the way to get the protection we feel we need. It may be, gentlemen, that you may have to deal with the situation in another way. This is what we are trying to prevent and that is the reason why we would like legislation to cover the matter.

Mr. RIDEOUT: In respect of the question relating to seniority and the 18 month rule how could you apply it without an agreement, and how is the individual down the line going to be compensated?

Mr. WALTER: I cannot talk too well in respect of the 18 month rule. It is a C.N.R. rule. But, in respect of seniority as a whole, it is true we have seniority rules where one individual can bump from one place to another. However, this is not exactly what we are concerned with. What we are concerned with is a situation where the railways through a change in operation dry up a terminal and all the men at that place are required to move to another terminal or another district in order to keep their employment; that is, they exercise their seniority and go there in order to keep their employment. It is not what you could call a seniority move because if it was not for the change in operation by the railway they could stay at their original terminal.

The CHAIRMAN: Order, gentlemen. We must give our interpreter an opportunity to do his duty and, after that, I recognize Mr. Leboe and Mr. Watson.

Mr. ROCK: I have a supplementary question Mr. Chairman.

Mr. RIDEOUT: And I have.

Mr. REGAN: I have a half dozen supplementaries Mr. Chairman.

Mr. RIDEOUT: I will have to become more specific, I see, along this particular line. Ten years or more ago they started to dieselize the Gaspe coast and there were 37 locomotive engineers, under steam, operating at New Carlisle; they had the right under the seniority agreement to go to Campbellton and exercise their right. But, within a year of the dieselization of the Gaspe coast the locomotive engineers went from a number of 37 on the spare board down to three. As I say, they had the right to go to Campbellton and exercise their seniority right, and they did. However, down the line this fellow was cut off and laid off. My question is how do you deal with him. And, this is not a case where a complete terminal has been washed up, but rather a reduction in the personnel to that extent.

Mr. WALTER: Mr. Chairman, in answer to this I would say that the amendment we are asking is outlined in our brief and it would be that the board of transport commissioners deal with this situation and make a determination at the time of the change as to how these individuals should be compensated, taking into consideration all the facts of the case, who has to move and how far they have to move, together with what is lost in the way of real estate and so on. We have outlined this again at page 14 of our brief, in the last paragraph, where it says that it is further suggested that you give consideration to present legislation—that is, the Canadian National-Canadian Pacific Act outlines criteria that can be followed in dealing with cases of this nature. That is what we have asked for in our amendment.

Mr. RIDEOUT: But it is a problem.

Mr. WALTER: Yes, it is a problem.

Mr. LEBOE: Mr. Chairman, I am not just sure to whom I should direct this question unless it is to Mr. Walter. Would the union adhere to the principle of the bill in connection with inconveniences, cost to its membership as a result of demands of the union in contracts? More specifically, if we recognize, as we do, temporary lay offs, which do result in bumping, bidding on jobs and so on, where there is actual inconvenience and costs involved which are recognized from the individual point of view as being detrimental to his living, would the prnciple that is requested in the bill be recognized by the unions in their responsibility, as they see it, in connection with their own membership.

Mr. WALTER: Mr. Chairman, I can say yes to that question generally; to be more specific, again we can go back to our request, that if the legislation we ask for was granted, then the board of transport commissioners would have full power to review any application that comes before it for compensation and, of course, this would do away with the possibility of any claim under temporary move where the employee is only required to make a temporary move to follow seniority and is not required to move permanently from a terminal.

Mr. LEBOE: I have a supplementary question. In acknowledging then that principle, would you say that if the board actually met to adjudicate on a particular case and they suggested to the union that they had a responsibility in connection with this individual financially would the union feel obliged under the principle to meet that requirement from union funds.

Mr. WALTER: Mr. Chairman, either the hon. member does not understand what we have been talking about here for some time or he is trying to confuse the issue. We are not talking about the union compensating the men for moving from one terminal to another; this is not our job. The company has the responsibility. The individual works for the company; he does not work for the unions. We are trying to protect the individuals' rights to see that he is protected when required to move as a result of changes in which the company stands to save a great deal of money. Now, our contention is that some of these savings should be given or set aside for the individual so that the changes which the management wants to make can be readily made and can be made without too much difficulty to the employees.

Mr. WATSON (*Assiniboia*): Mr. Chairman, I have two questions. The first one, I believe, is the result of Mr. Read mentioning that due to the employment that has been created recently some of the employees who are going back to work have not been employed, as I understand it, by the railway for the past ten years. Suppose this person for the last ten years has been established in some other type of employment in a different field, and has then been re-employed in the railway after ten years absence, would it not be better to have taken some more recent lay-off from the railway for this

job, rather than taking this man who has been away for ten years? Under this situation, this man would be quitting a job which he had been doing for the past ten years, a job which he has become established in, and we have now a new man laid off.

The other question I have is addressed to Mr. Gibbons. Are the employees of the railways generally in agreement with modernization? Are they in agreement with the railways trying to be more efficient? I am thinking of the western railway abandonment. If they could be more efficient, possibly that would do away with some of the problems we have in the west at the present time.

Mr. READ: In answer to the first portion of the question with regard to seniority and these people coming back to employment with the company, the individual employee who is laid off, regardless of what time it was or in what year it happened, knows when he goes out what the state of re-employment is. Naturally, he does not sit around, but goes out and gets a position of some kind. In being recalled into service again, this individual has two prerogatives; one is he can return to work. If he does not return to work in the specified time allotted in the agreement covering the shop craft group employees, then his name is taken off the seniority roster, and he has severed his service with the company.

Those people who do come back, if they are working outside and the amount of work for them to return to is less than 90 days, are not required to come back until they are carried on the seniority roster, but if the term of work is for a greater length of time than 90 days, then they must report or get their names stricken off the list. That is the way they are brought back. If you have a senior member and the position to be filled is for less than 90 days, and he says: "No, I am not coming back for less than 90 days", then it is for the employee who is willing to come back to take his place for that specific job. So that these people are being returned to service as the necessity arises for them to do so. The railways recognize it and this is contained within each collective agreement, so that they come back and can be in the service if they so desire. A lot of our people and apprentices and highly skilled individuals who are laid off at the termination of their apprenticeship because there is no work for them naturally go out in a lot of instances, get a position on the outside that is more acceptable both remuneratively and otherwise than the railway position. Naturally, when they are recalled to the service, they refuse to come. Therefore, a junior man has an opportunity of going in and getting work.

The CHAIRMAN: Mr. Leboe, have you a supplementary question?

Mr. FISHER: Could we have the answer of Mr. Gibbons to Mr. Watson's question?

The CHAIRMAN: Yes.

Mr. LEBOE: I was cut off in my questioning before, Mr. Chairman, and there was a charge laid by Mr. Walter which I would like to answer. I want to assure the committee and Mr. Walter that I was not trying to confuse the issue and that I have travelled possibly more miles in a caboose than I have on a passenger train. I wore out two railroad speeders, so I know something about railroaders as well as having been in business and having shipped lumber over the railways. What I was trying to establish is a principle, and I was also trying to protect other people who may be in the same boat but with no responsibility as far as the railway is concerned but a responsibility that evolves from and comes out of a collective agreement. That is all. I was just trying to establish a principle.

The CHAIRMAN: You have made your point.

Mr. BALCER: I move that we adjourn.

Mr. ROCK: I second the motion.

Mr. FISHER: Mr. Chairman, I think Mr. Watson should have an answer to his question before we adjourn.

Mr. GIBBONS: In answer to Mr. Watson's question I will say that on page 12 of our brief we make a statement with regard to our attitude toward automation, technological change and other innovations that are put into effect to obtain and try to bring about a more efficient railway operation. We are not opposed in any way, shape or form, to the necessity of an efficient railway system but we are opposed to efficiency, particularly when the savings in cost are related to us. We do not think it is fair and we think we are not being unreasonable to ask that these costs be allocated out of savings realized by bringing in more efficient industry. For example, in 1960, the railway association presented a brief to the Senate committee on unemployment and in their brief—and I think I can identify it as report number 12 to their committee—they said the dieselization program up to the end of 1959 had resulted in an annual savings of $154 million a year, and that the capital cost necessary to bring that about was $600 million. We feel that part of those savings brought about by technological change or innovation should be allocated to assisting the people who are adversely affected; whereas, to date, we are the only ones who are adversely affected. I think we have to appreciate as well that we are a service industry.

If Mr. Watson thinks they could find a way to expand the economy at a sufficient rate that our services would be required for the transportation of goods, which we could handle, even then the railways admit they could handle a considerable increase in business without a very noticeable increase in employment because of these same technological innovations and changes. But, to date all of these savings have been realized and this increased efficiency has been created at our cost. We have had to bear all the adverse conditions accruing from it. All we are asking is that a portion of those savings be allocated to assisting our people because of changes that are brought about through no fault of our own and over which they have no control. Mr. Rideout mentioned the fact there were 37 people moved from a specific terminal. Certainly this would be a question which would have to go to the board of transport commissioners for determination. Again, the amendment may seem too sweeping, but we honestly put it to you this way: we are not concerned about those people who have to move from one city to another in so far as the loss of their real estate is concerned but we are concerned with numerous people who are living in, shall we say, railway terminals.

What is going to happen to these people? They have an equity in society within that community and, surely, if through no fault of their own that town disappears surely these people who have years of service should not, as a result of management decision, be deprived of their due. In the first place, as a result of management decisions these people went into these areas, located themselves and bought homes; they should be compensated when the management takes the position, in the interest of economy, to remove that. But, to say we are opposed, absolutely not; we want an efficient railway operation because only in this way can we obtain an increasingly high standard of living, which seems to be the criterion for today.

Mr. BALCER: I move that we adjourn.

The CHAIRMAN: Before I entertain a motion for adjournment is it agreed that we dispense with the translation of what has gone before?

Some Hon. MEMBERS: Agreed.

Mr. FISHER: Mr. Chairman, I want to let the members know that as a result of Mr. Foy's suggestion I would like permission to circulate to members

of the committee a brief of one of the groups which is unable to have a representative here. If agreeable, I will circulate that brief tomorrow or the next day.

The CHAIRMAN: The meeting will adjourn now until October 29, Tuesday morning.

Mr. REGAN: Why do we not meet next Tuesday?

The CHAIRMAN: According to the Sergeant at Arms we have no room in which to sit.

Mr. FISHER: Mr. Chairman, I suggest that the steering committee be brought together to discuss this whole question again.

The CHAIRMAN: Then we will adjourn at the call of the Chair.

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, OCTOBER 29, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

Messrs. A. R. Gibbons, Vice-President, National Legislative Representative of the Brotherhood of Locomotive Firemen and Engineers and S. Wells, Research Director of the Non-Operating Railway Unions.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

29506-3—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
McMillan,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*),
Watson (*Châteauguay-Huntingdon-Laprairie*),
(a) Webster—60.

(Quorum 15)

Maxime Guitard,
Clerk of the Committee.

ORDER OF REFERENCE

WEDNESDAY, October 16, 1963.

Ordered,—That the name of Mr. Emard be substituted for that of Mr. McMillan on the Standing Committee on Railways, Canals and Telegraph Lines.

Attest.

LÉON-J. RAYMOND
The Clerk of the House.

29506-3—1½

REPORT TO THE HOUSE

TUESDAY, October 29, 1963.

The Standing Committee on Railways, Canals and Telegraph Lines has the honour to present the following as its

SECOND REPORT

Your Committee recommends that it be given leave to sit while the House is sitting.

Respectfully submitted,

PROSPER BOULANGER,
Chairman.

(Concurred in this day)

MINUTES OF PROCEEDINGS

TUESDAY, October 29, 1963.
(4)

The Standing Committee on Railways, Canals and Telegraph Lines met at 10:10 o'clock a.m. this day. The Chairman, Mr. Prosper Boulanger, presided.

Members present: Messrs. Addison, Armstrong, Beaulé, Bélanger, Berger, Boulanger, Cantelon, Cowan, Crossman, Fisher, Foy, Gauthier, Greene, Grégoire, Horner (*Acadia*), Howe (*Wellington-Huron*), Kennedy, Lamb, Matte, McNulty, Orlikow, Pascoe, Rideout, Rock, Ryan, Watson (*Chateauguay*), Watson (*Assiniboia*), and Webster—(28).

In attendance: Messrs: A. R. Gibbons, Vice-President, National Legislative Representative of the Brotherhood of Locomotive Firemen and Engineers and S. Wells, Research Director of the Non-Operating Railway Unions.

Seeing a quorum, the Chairman opened the meeting. Mr. Grégoire rose on a question of privilege relating to the delay in publishing the French translation of the Minutes of Proceedings and Evidence of this Committee.

Whereupon, Mr. Grégoire moved, seconded by Mr. Beaulé,

Resolved,—That the Committee make representations to the authorities concerned in relation to the delay in publishing the French translation of the Minutes of Proceedings and Evidence of the Standing Committee on Railways, Canals and Telegraph Lines.

A few members expressed their discontent on the infrequent sittings of the Committee.

Thereupon, Mr. Howe (*Wellington-Huron*) moved, seconded by Mr. Pascoe, that the Committee seek permission to sit while the House is sitting.

And the question being proposed;

Mr. Foy, seconded by Mr. Crossman moved in amendment thereto,—That the Committee sit every Tuesday from 10:00 o'clock a.m. to 12:00 o'clock noon and from 2:30 o'clock p.m. to 5:00 o'clock p.m.

After further debate, the question being put on the said proposed amendment, it was, on a show of hands, resolved in the affirmative. Yeas, 18; Nays, 4.

And the question being put on the said motion, it was resolved, on a show of hands, in the affirmative. Yeas, 18; Nays, 4.

Then the Chairman asked the Clerk of the Committee to read the correspondence received since last meeting. Two telegrams were read.

Thereupon, it was moved by Mr. Matte, seconded by Mr. Beaulé,

Resolved,—That the balance of the correspondence received since last meeting be affixed as an appendix to today's Minutes of Proceedings and Evidence.

The Chairman welcomed the representatives of both the Canadian Pacific Railway and the Railway Association and then invited Mr. G. A. Richardson,

General Secretary of the Railway Association to read a brief prepared jointly by both the C.P.R. and the C.N.R.

And the Committee resumed questioning of the witnesses on the brief presented at a previous meeting by Mr. F. H. Hall of the Railway Unions.

At 12:50 o'clock p.m. the Committee adjourned until 10:00 o'clock a.m. on November 5, 1963.

Maxime Guitard,
Clerk of the Committee.

EVIDENCE

TUESDAY, October 29, 1963

The CHAIRMAN: Gentlemen, I see we have a quorum, and I declare the meeting open.

Mr. GREGOIRE (*French*) (*Interpretation*): On a question of privilege, Mr. Chairman, I note this morning that we have received a French copy of volume one of the proceedings of the standing committee on railways, canals and telegraph lines, whereas we have the English version of volume two of those proceedings. It appears that these delays in producing the French versions are going on and on. Therefore, I move, seconded by Mr. Beaule, that the standing committee on railways, canals and telegraph line protest regarding these delays to the appropriate authorities.

The CHAIRMAN: There is a question of privilege. Is it the pleasure of the committee members to speak on this motion?

Mr. FISHER: I have no feelings that the motion should not have been put, but I would like to put our problems in committees in some kind of context, and then ask the French speaking members of the committees to consider the problem. This committee has been moving with extreme slowness, I think to quite an extent because of the language problem. I do not mean this as being any reflection upon our interpreters. I realize that perhaps the main reason for the slowness is the inadequacy of those of us who can neither speak French nor understand it in its oral form. But it does seem to me that we should consider the problem in an effort to accommodate both the subject matter as well as the witnesses who come before us, and that we should proceed as quickly as possible.

The CHAIRMAN: Mr. Fisher, I think you are going further away from the motion we have before us.

Mr. FISHER: No, I do not think so. I would like to know more specifically with regard to this matter whether the French Canadian members of the committee consider that they are insulted by the fact that they have not got the copy in French. And I would like to know more about this from the committee Chairman, whose responsibility it is. The Lord knows we have had long enough time between our meetings to have led to the provision of these proceedings in French; and if this condition is going to continue, I think we should make up our minds whether it is worthwhile going on, if we are going to have this kind of delay. I am not expressing a vote either for or against, but I would like to have some information from our French speaking compatriots and from the Chairman of the committee as to what the real problem is here.

The CHAIRMAN: Have the members anything to say before I put the question? Mr. Beaule?

Mr. BEAULE (*French*) (*Interpretation*): It may be because I have some difficulty in hearing, but if I understand correctly, Mr. Beaule is not insulted by a delay in producing the French version. I understand him to say that the minutes of the meetings should be produced at the same time in both languages. That is what I understood Mr. Beaule to have said. Now in regard to the question of slowness in the proceedings raised by Mr. Fisher, he is of the opinion that if the committee were to seek more quickly the subject matter of the bill under consideration, that these delays would be considerably reduced.

The CHAIRMAN: In answer to Mr. Fisher, the report that I will give you this morning is always the same. You all know that we have six committees working every day, and that the personnel of course of the translation branch is not quite sufficient. That is the problem right now which the authorities are trying to solve. And as you all know, we have been asked to find ways to improve the situation. I believe that all members are trying, just as I believe the authorities are trying, to solve the problem.

We have the translation of the first meeting and the second meeting has been promised for next week. It will be ready next week. Then I shall try again to see that the personnel branch—although they are doing their best—co-operates as much as they can, and we will ask the authorities to look into it. I wonder if Mr. Gregoire wishes to proceed with his motion.

Mr. FISHER: If you want to make this effective, why not report back to the house that the committee is disturbed about this situation? To do so might produce greater effects. It seems to me that what we are doing, in essence, is waving a flag in this chamber, and no one will hear about it if we just pass this motion.

The CHAIRMAN: Have any other members anything to say?

Mr. FOY: Mr. Chairman, to expedite matters this morning I suggest that we get on with the hearing, and that the committee agree with doing just that. I do not think it is necessary to vote that the committee unanimously agrees to have the Chairman take this serious matter up with the proper authorities to make sure that the printing of the minutes of the standing committee on railways, canals and telegraph lines done in English as well as in French.

The CHAIRMAN: All right.

Mr. FOY: I would like to be the first to say that I agree with Mr. Gregoire's request.

Mr. HOWE: Mr. Chairman, I go along with what Mr. Fisher said a few minutes ago. I think we should report back to the house with a motion from this committee to the effect that we sit when the house is sitting. This is a procedure which has gone on for years; that is, that in the afternoon, after the orders of the day have been completed, we meet. As I indicated at our last meeting, we bring these witnesses here, and then bring them back again later on after many of us have lost the continuity of our questioning. I think we should meet when the house is sitting, and that we should meet more often.

In respect of the problem involving availability of rooms, we have all been through that. We used to sit at 9.30 a.m., and continue on until 11 a.m. and then another committee took over at 11.30 a.m. There is a way in which to work out these matters, if there is proper organization.

The CHAIRMAN: In respect of the first part of your proposition, this I think was dealt with, and it was agreed we should leave it to the Chairman.

Mr. HOWE: I would like to make a motion that this committee obtain power to sit while the house is sitting.

An hon. MEMBER: I second that motion.

Mr. ROCK: Mr. Chairman, I do not go along with this motion. I feel if it is our wish to have longer hours we should start at 9 o'clock in the morning, or at 8.30 a.m. rather than sit while the house is sitting. There may be important matters going on in the house, and I think our duty is to be in the house. We have these morning sittings of the committees, and I think we should decide now to start earlier in the morning. I am not in favour of having this committee sit while the house is sitting. I would also like to suggest that our meetings should move at a more rapid pace. It might be possible for the Chairman to

arrange that we have the use of the main room in the west block where facilities for simultaneous translation are set up. If we could, at least sometimes, have the use of that room, our proceedings might go along at a more rapid pace because of the use of the simultaneous translation system which would automatically come into effect. This would be much better than our present method of having a person speak in English, then the translation, and vice versa.

The CHAIRMAN: I recognize Mr. Fisher.

Mr. FISHER: With new members I do not like to pull the old soldier line, but it has been a practice here during my time for committees to consider they should dispatch the business before them, even if this meant that it was necessary to meet as often as three times a week and also when the house is sitting. I think this is a good and a legitimate motion. We need to get through this business because there is certain to be other business before this committee, and before other committees which are allied to it. I not only believe we should sit while the house is sitting, but also that we should meet twice or three times a week. I do not want to amend the motion of Mr. Howe. I am very strongly for it.

In so far as Mr. Rock's argument is concerned, I could ridicule it in the sense that it is quite apparent from the attendance in the house that the majority of members are forced by their circumstances to spend time in their offices and in other places. The house is very handy if anything crucial arises. If a vote comes up, then the committee would adjourn for a brief period. Normally adjustments are made so that meetings are not held until after the question period. I would hope that members of the committee would support this motion.

The CHAIRMAN: I recognize Mr. Orlikow.

Mr. ORLIKOW: I do not have much to add to what has been said. I do not mind meeting at 9 o'clock, and I do not mind meeting three times a week. If we were to meet while the house is sitting we would only be following the same procedure followed by other committees. The defence committee, which is an important committee, has been meeting regularly while the house is in session, and I do not think this has interfered with the business of the house. I think we should keep in mind that many of the witnesses, both from the unions and the companies, I presume, come from Montreal and other cities. I think it is an imposition on them to keep them trooping back here day after day for two hours. I would like to join with Mr. Fisher in saying that we ought to get on with the business and meet as often and for as long as is necessary.

Mr. MATTE (*French*) (*Interpretation*): In respect of the proposal to have simultaneous interpretation, I have spoken to the Minister of Public Works about the possibility of installing a simultaneous system in this room, possibly with the use of a radio type of apparatus. The reply he gave me was to the effect that he would do everything possible to facilitate things in order to make possible a bicultural atmosphere.

Mr. LAMB: I would like to agree with Mr. Fisher. I think there is ample time available when the house is sitting. You can go into the house quite often when there are very few members present. It would serve a very good purpose if we sat while the house is sitting. I am very much in favour of Mr. Fisher's motion.

Mr. WATSON (*Assiniboia*): I agree it is quite disgraceful that these union men should be brought up from Montreal and from other areas of the two provinces, and then have to sit around for two hours when not very much progress is made. However, the question period almost every day lasts until 4.30 p.m. I believe it would make more sense if we were to have a longer

period in the morning than it would to start our meetings after the question period in the afternoon, which would be 4.30 p.m. If we were to have afternoon sittings, they would be starting at 4.30 p.m. which would be approximately the time that these gentlemen normally would be getting ready to go back to Montreal. I think we would have to ask their opinion on this. It does not make much sense to start the afternoon sessions of this committee at 4.30 p.m.

Mr. HORNER (*Acadia*): I would like to speak in support of this motion. It is certain that the principle and objects of Bill C-15 were the intention of the previous government. This Committee by sitting so far once a week for two hours, and once every two weeks, because we did not sit last week, points out the only conclusion I can come to and that is the fact that the present government does not seriously want to consider this bill. If it had a serious wish that we consider it, then we should certainly sit while the house is sitting. In the past committees have sat twice and sometimes three times a week, and even in the evenings. Many committees I have been on in the past, such as the C.B.C., agriculture, railways and shipping, have sat morning, afternoon, and evening, in order to facilitate the witnesses before the committee who wanted to get their evidence presented and go home, and so that we could hear further witnesses. Certainly we should sit while the house is sitting and possibly two or three times a week.

The CHAIRMAN: Have you a supplementary question, Mr. Foy?

Mr. FOY: Mr. Chairman, I have come to the point where I would like to bow to experience. Mr. Fisher, and Mr. Howe have been here for a long time and have sat on many of these committees. It was my impression in the beginning that our questioning of the unions would not take so long. I did not expect that it would last for this long.

In the interests of all and in view of the situation at the moment, I would like to amend, or to propose an amendment to, Mr. Howe's motion, and it is that this committee sit every Tuesday from ten to 12, and from 2.30 until 5.00.

The CHAIRMAN: Are you making an amendment to the motion?

Mr. FOY: Yes, to the motion.

The CHAIRMAN: We are still talking on the main motion, but we have an amendment. Would you mind putting it in writing, Mr. Foy?

Mr. HOWE (*Wellington-Huron*): I cannot see how we can do this. We cannot very well leave the house until the orders of the day are over. The practice of the committee is automatically to begin sitting when the orders of the day are over. So for us to sit a time in the afternoon would be difficult, unless you wanted to sit for an hour before the house sat, or something like that, to get in that extra time. I think my motion covers it pretty well because we could come back when the orders of the day are over at 4 o'clock.

Mr. ROCK: Or even at 4.30.

Mr. FOY: The orders of the day may be important, but this is important as well. It certainly is not going to give us much time to continue with the questioning of witnesses if we come in here at 4.30 p.m. I doubt very much whether we could get a quorum. I suggest that we start in the afternoon at 2.30, which would give members time during the two-and-a-half hours to go to their offices and attend to such other business as they may have. I suggest it might be difficult to have a quorum after the orders of the day. It is quite possible that the majority here might be interested in foregoing attendance for the orders of the day.

Mr. BEAULE (*Interpretation*): We have been discussing this matter for half-an-hour with the witnesses sitting here ready to give their evidence. I

suggest that the committee decide this matter right away and then pass on to the consideration of Bill C-15.

Mr. WATSON: Could we not get an opinion from the spokesman for the unions here today about sitting in the afternoon?

The CHAIRMAN: I am sorry, but that is not in order.

Mr. HOWE (*Wellington-Huron*): I think we are agreed to accept Mr. Foy's amendment and go along with it because, after all, the idea is to get things going.

The CHAIRMAN: Have you a seconder to your amendment? We are presently seized with the motion, and also with an amendment. I think the committee is ready to decide, but we now have to vote first on the amendment made by Mr. Foy.

Mr. ROBICHAUD: I second it.

The CHAIRMAN: We first have to vote on the amendment proposed by Mr. Foy and seconded by Mr. Robichaud.

Mr. HOWE (*Wellington-Huron*): This motion would tie us down to two days a week. I have seen this committee hold meetings four days a week. We got into trouble last year when we sat on a Monday morning, but that was not preventable; it was business which should be got through. We agreed that the boys did not get up earlier enough that morning. I do not think we should tie the Chairman down to hours like these, because there may be situations arise when we have to meet more often.

(*Interpretation*): Mr. Belanger pointed out that this matter has been going on for three-quarters of an hour and he would like the Chairman to take measures to get the committee to proceed. Then the Chairman pointed out that the committee was the master of its own proceedings, and that if it was necessary to take up an hour to solve a question, then it has to be done, and that the Chairman has no right to prevent anybody from speaking.

The CHAIRMAN: I shall now read the amendment and the motion. It is proposed by Mr. Foy and seconded by Mr. Robichaud that the committee should sit every Tuesday from 10.00 a.m. until 12 noon, and from 2.30 to 5 in the afternoon. All those in favour will please raise their hands. There are 18 in favour. Those against? I declare the amendment adopted.

Amendment agreed to.

We shall now proceed, and I shall ask the clerk of the committee to read any correspondence we have received since the last meeting.

Mr. ROCK: Will there not be a vote on the main motion?

The CHAIRMAN: No, the amendment has been carried.

Mr. ROCK: But suppose there should be 19 votes on the main motion.

The CHAIRMAN: Oh, I am sorry. You are right. The amendment has been voted, and it has the same effect.

Mr. CANTELON: The amendment just modifies the motion.

The CHAIRMAN: I shall read the main motion: moved by Mr. Howe seconded by Mr. Pascoe, that the Chairman be instructed to ask permission for the committee on Railways, Canals and Telegraph Lines to sit while the house is sitting.

All those in favour? The motion is carried, and we shall ask for permission.

Motion agreed to.

The Clerk of the Committee: The first telegram is addressed to Mr. P. Boulanger, M.P., and it reads as follows:

> P. Boulanger M.P., Chairman Standing Committee on Railways,
> Canals and Telegraph Lines,
> House of Commons, Ottawa, Ont.
>
> I take this opportunity to advise you that the membership of the Brotherhood of Maintenance of Way Employees in my jurisdiction and I, wholeheartedly support of the railway unions brief for an appropriate amendment to Section 182 of the Railways Act.
>
> C. N. Rauliuk, General Chairman,
> Brotherhood of Maintenance of Way Employees.

And I have another telegram addressed to the Chairman of the Standing Committee on Railways, Canals and Telegraph Lines:

> P. Boulanger M.P., Chairman, Standing Committee on Railways,
> Canals and Telegraph Lines,
> House of Commons, Ottawa.
>
> This will advise you of my wholehearted support of the railways unions brief for the appropriate amendment to Section 182 of the Railways Act.
>
> James C. Kesler, Legislative Representative,
> Brotherhood of Maintenance of Way Employees,
> 13469 98th Ave. North, Surrey, British Columbia.

(*Interpretation*): If these telegrams all say the same thing, would you not simply indicate the fact in French so that things can get on faster?

The Chairman: The clerk advises me that these are letters and petitions sent in by different organizations. If there is a motion he would dispense with reading them all.

Mr. Matte: I so move.

Mr. Beaule: I second the motion.

The Chairman: It has been moved and seconded that the reading of this correspondence be dispensed with.

Motion agreed to.

Mr. Matte: All this correspondence will be included in the minutes of today's meeting.

The Chairman: Oh yes. It is a pleasure for me to welcome to the sitting of this committee today, first, Mr. G. A. Richardson, general secretary of the railway association of Canada, and as witnesses Mr. R. A. Emerson, vice president of the Canadian Pacific Railway, Montreal, Mr. J. A. Wright, Q.C., general solicitor, Montreal, Mr. J. C. Ames, assistant to the vice president, Canadian Pacific Railways, Montreal, J. E. Paradis, Q.C., solicitor, Montreal District, Canadian Pacific Railways, Mr. K. Campbell, manager of labour relations, and Mr. J. Ramage, assistant manager of labour relations of the Canadian Pacific Railway, Montreal.

In connection with the Canadian National Railways we have with us today Mr. W. T. Wilson, vice president, Mr. J. W. G. Macdougall, Q.C., general solicitor, Mr. Roland Bouldreau, solicitor, Mr. A. J. Bates, manager of personnel department, and Mr. B. Brisson, assistant manager, personnel department.

I must point out to you that after telephone conversation between the secretary of our committee and members of the railway association, these people from Montreal came here under the impression that we were ready

to hear them today, so we have made today a final appointment for them to appear before us. Besides that, as I pointed out at the first sitting of this committee, we intend to be fair with everybody, and also we are ready to hear representations made by different groups. Therefore, in the same trend of thought I suggest that we hear this morning a brief presented by the railway association, to be read by Mr. Gordon Richardson, who is general secretary of that association.

If my suggestion is acceptable, if we are prepared to hear Mr. Richardson, we will then go right back to the questioning of the witnesses who are this morning from the unions.

Mr. Foy: I was going to make that same suggestion. I did not know it was going to be incorporated in your remarks. But might I add that I think this presentation might be of interest to the witnesses we have with us this morning, and I would urge the members of the committee to agree that the presentation of the railway association of Canada be read immediately.

Mr. Horner (*Acadia*): Mr. Chairman, we are not through with the unions. They are here. Was the decision made by the steering committee that we now hear from the railway association of Canada, otherwise, why are we interrupting the questioning of the unions at this time to hear an opposite point of view? Was it a decision made by the steering committee, or is it being made now?

Mr. Foy: I would answer that question. There was no steering committee on this point at all. We were not aware until last night that the railway association was going to be here. The fact is that they are here. I am suggesting that they be allowed to take twenty minutes to read their brief and then we will carry on with the questioning and continue with it this afternoon.

Mr. Horner (*Acadia*): It certainly breaks up the continuity.

The Chairman: Do you all agree?

All those in favour?

Agreed.

I now call on Mr. Richardson to come up to the head table as a witness.

(*Interpretation*): May I point out to the members that you have a French version of Mr. Richardson's brief before you. Will you dispense with the interpretation? Agreed.

Mr. Matte (*Interpretation*): Mr. Matte asks the Chairman if it will be possible for Mr. Richardson to read his brief paragraph by paragraph so that questions might be asked. But the chairman said that questioning on this brief would not be proceeded with today.

Mr. Orlikow: All of my experience has been that it is better to let a person presenting a brief read the whole thing, and then to question him. This would be the simplest way, because if we begin to ask one or two questions, it might take up the whole morning. I suggest we let the railway association representative read his whole brief, and then question him afterwards.

The Chairman: Now, Mr. Richardson.

Mr. G. A. Richardson (*General Secretary, Railway Association of Canada, Montreal*): Mr. Chairman, and members of the committee: the Canadian railways through the railway association of Canada appreciate this opportunity to present their views on Bill C-15. Before I begin I would like to say that I shall try to read this brief in 20 minutes, as suggested by Mr. Foy, but it may prove to be a bit difficult.

BRIEF

Bill C-15 proposed an amendment to Section 182 of the Railway Act by the addition of the words underlined:

> The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with, nor remove, close, or abandon any station, divisional point, Freight office, or express office nor create a new divisional point that would involve the removal of employees or the loss of employment on the railway by an employee, without leave of the Board, and where any such change is made the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence or loss of employment necessitated thereby.

Section 182 of the Railway Act was introduced and subsequently amended in the early part of this century, at a time when railways constituted the only practical means of overland transportation.

Mr. PASCOE: Mr. Chairman, I note that the brief now being read is not the one to be presented to this committee but rather it is one addressed to the Minister of Labour. That is the one Mr. Richardson is reading now.

Mr. RICHARDSON: Yes. We wrote to the chairman submitting the brief we prepared for the Minister of Labour, to bring it to the attention of this committee, and I am reading that brief first.

A change in railway operations in any part of the country was then a matter of first importance. The fact that the railway would be located through a certain district was a virtual guarantee that the district would grow and develop. The decision of the railway to relocate its line would mean that the district would almost certainly wither economically. The public generally and railway employees who had located along the original line would be affected.

This is a situation which has now virtually disappeared except in a few remote areas of our country. Vast highway networks have been built at tremendous cost and expenditures on improving and enlarging these highway networks are continuing unabated. The relocation of a railway line in the 1960's would not likely cause any substantial disruption in the district. Thus it seems that the need for even the present provisions of Section 182 has disappeared.

Considerable help in the consideration of this matter can be derived from the MacPherson royal commission report on transportation. The commission's recommendations to the government constitute an extremely valuable and authentic assessment of the position of the railways in Canada at the present time and the problems facing them as they come from an impartial and highly competent body, specifically set up to consider railway problems.

The commission noted that in the new competitive transportation environment which had developed, the question should now be how effectively the transport system is functioning as an economic enterprise rather than (as in the past) how effectively it was functioning as an instrument to fulfill national policy objectives. (Volume 2, p. 180). In pursuance of its conclusions on this basic question, the commission recommended that railways be freed from certain national obligations imposed on them in years gone by. The commission recommended that "the nation can and should lift the burdens remaining upon railways by law and public policy and thus restore to management the responsibilities for financial health which properly belong to it". (Volume 2, p. 11). The commission said that once freed from these national obligations "the railways as business corporations (should) take their rightful place in the Canadian transportation scene". (Volume 1, p. 34).

Nowhere in the Railway Act is it suggested that the board of transport commissioners should be substituted as the management of the railway companies regulated under the act. The amendment proposed to section 182 would appear to do just that as it would require board approval for many operational changes, however small, involving removal of employees or the loss of employment on the railway by an employee. This would introduce rigidity in the operation of railways which is not only entirely contrary to the principles of the Railway Act, as it exists at this time, and entirely inconsistent with the reduced degree of regulation strongly recommended by the MacPherson royal commission, but is also entirely out of keeping with our free enterprise system.

It must be recognized that the MacPherson royal commission did not look on railways as a declining industry which has been overtaken by the pace of technological change in other modes of transport. Rather, the commission looked for the railways to have a "long and vigorous life" (Volume 2, p. 276) but the commission correctly recognized that this could not be achieved if further rigidities such as are contemplated in Bill C-15 are introduced.

In effect, the changes proposed by Bill C-15 amount to this; that special benefits be conferred by parliament on the employees of one segment of one industry. There can be no possible justification for the suggestion that railway employees should be preferred in this way above other employees in the transportation industry or in industry generally. If benefits are to be conferred in this way on railway employees it follows that a burden is imposed on railway companies. Why should the railways be singled out to bear this additional burden? Obviously no valid reason can be given.

Thus the changes proposed by Bill C-15 would involve on the one hand additional discriminatory legislation in favour of railway employees as against employees in industry generally and discriminatory legislation imposing a burden on railway companies not imposed on other transportation companies nor other industrial concerns. In this connection the MacPherson royal commission recommended a national transportation policy which would "seek to achieve a position of economic neutrality wherever competition prevails". It is well known that railways are presently engaged in an extensive competitive struggle with other modes of transport. National transportation policy could scarcely be described as "neutral" if provisions such as those which are now proposed by Bill C-15 are to be imposed on the railway companies.

It is not without significance that no comparable provision can be found in the federal acts comparable to the Railway Act such as the National Energy Board Act, S.C. (1959), Chapter 46; the St. Lawrence Seaway Act, R.S.C. (1952), Chapter 242; the Telegraph Act R.S.C. (1952), Chapter 262; the Trans-Canada Airlines Act, R.S.C. (1952), Chapter 241. Not even in the Civil Service Act R.S.C. (1952), Chapter 48, is there a requirement that the government has to compensate its employees for any loss incurred by them when involved in situations such as contemplated by the proposed amendment.

The MacPherson royal commission was not unmindful that changes in the economy and technological developments would inevitably have an effect on labour and would be the subject of negotiations and discussion between management and labour. The commission said that governments, railway companies, railway labour and the shipping public must work together and each must discharge its responsibilities if Canada is to enjoy a fully efficient transport system (Volume 2, p. 123). The commission said that in a rationalization program, the role of government is to encourage the most efficient allocation of transportation resources by firstly providing a regulatory environment that will allow rail management the greatest possible freedom to adjust to changing conditions, consistent with the protection of the legitimate interest of shippers,

and secondly, to encourage and assist, where necessary, rail companies in achieving their objectives. The commission emphasized that within the framework of government regulations management must be free to manage—that management must do the managing (Volume 2, p. 124). With respect to labour, the commission said:

> The removal of rail lines will inevitably affect labour. It is believed that the gradual program that has been suggested will enable labour, displaced in one segment of the business, to be largely absorbed into other more profitable segments. Despite this, there will inevitably be problems of relocations and some loss of jobs. Full and frank disclosures should help to allay fears which are often worse than the realities of the situation. Without minimizing the problems involved, the commission is confident that enlightened railway and union management can solve them with a minimum of hardship. The objectives are similar in both, a profitable rail enterprise that can afford to pay reasonable wages. We believe that direct co-operation between the parties concerned is the most efficient method of arriving at lasting solution to these problems. This is not to say that railway labour should be excluded from any plans the government may have to assist in the problems of technological unemployment and relocation of labour forces by retraining or other means. Nor is it suggested that special assistance in this field should not be made available if the parties concerned can demonstrate their need. But such relocational or other assistance should be recognized, known and earmarked, separate from national transportation policy objectives. (Volume 2, p. 124/5).

It is clear from that that if there is to be any governmental program relating to technological change, it should not be done as a part of the national transportation policy (and certainly not in the Railway Act), but as an over-all measure applicable to all employees, whether in the railway industry or not.

With your permission, I would like to turn to the brief which we addressed to this committee, dated October 25, 1963.

In a submission to the minister of labour dated July 5, 1963, the railway association of Canada set out reasons for its opposition, on behalf of its member railways operating in Canada, to Bill C-15. That submission which has been made available to the committee, together with this further submission, set out the views of the association with respect to Bill C-15.

Since the committee commenced its hearings, the representatives of the associated railway unions have been heard and the substance of the contentions of the unions is set out in a brief presented to the committee on October 8th by Mr. F. H. Hall, executive assistant to the grand president of the brotherhood of railway and steamship clerks, freight handlers, express and station employees. The association considers that its comments on this brief may be of assistance to the committee.

In the first paragraph of their brief, the unions have stated that "Over the past decade or so the effect of automation and technological change in general on railway employment has been greater than in any other Canadian industry, by far." The unions apparently recognize—and this is amplified on page 3 of their brief—that if this were not so they would not be so justified in asking for legislation which provides special privileges for railway employees or ex-railway employees solely by reason of the fact that they work or used to work on the railway.

The period selected by the unions for the purpose of demonstrating the changes that have taken place in railway employment levels, in contrast with those of other segments of the economy, was the ten-year period 1952-62. The committee will undoubtedly have observed that 1952 represented the year of highest employment in the railway industry during the post-war period,

a fact accounted for in part by the institution of the forty-hour week in June 1951 which had the immediate effect of substantially increasing railway employment and, in part, by the combination of an unusually heavy grain crop and the high volume of other traffic carried by the railways during that year due in large measure to the Korean war. Based on the same table given in appendix "D" of the unions' submission, it will be of interest to the committee to observe that, had the year 1946 been selected as the base year instead of 1952, the 1962 level of employment would show a decline of only 13%, or less than one-half the decline from the year 1952.

Also, the association cannot allow to pass unchallenged the claim that even during the decade 1952-62 railway employment suffered to a greater extent "by far" from automation and technological change than any other Canadian industry. In support of their claim, the unions have contrasted the decrease in railway employment with an increase in employment levels in certain selected industries. The unions, however, have failed to mention that there are other industries in which employment levels have fallen during this ten-year period. For example, employment levels in agriculture decreased 26.3 per cent; in forestry 23.7 per cent; in fishing and trapping 17.9 per cent and in mining 12 per cent. It is important also to note that in each of these industries mentioned the absolute volume of production has increased over the past ten years while there has been a decline in the volume of railway traffic, as will be demonstrated later. These facts strongly suggest that automation and technological change has been a more important factor in bringing about the employment decline in these industries than on the railways.

It is therefore incorrect to say that the impact of automation and technological change in general on railway employment "has been greater than in any other Canadian industry, by far."

In the Association's submission dated July 5, reference was made to the competitive struggle with other forms of transport in which the railways are engaged. The effect of this struggle on railway employment can, to some extent, be gauged by the effect it has had on traffic volumes. In 1952 the railways carried 60.6 per cent of inter-city ton miles performed in Canada. By 1961 (the latest year for which information is available) the railways' proportion of total inter-city ton miles carried had dropped to 43.3 per cent—a decline of 28.5 per cent. During the same period, the proportion of total inter-city ton miles carried by motor transport increased from 7.9 per cent to 10.6 per cent. Oil pipelines, which in 1952 carried 4.2 per cent of inter-city ton miles, were responsible for 14.2 per cent of the total in 1961. Gas pipelines, which were virtually unknown in 1952, were responsible in 1961 for carrying 6.1 per cent of the nation's total inter-city ton miles. Also in absolute terms, the volume of traffic handled by Canadian National and Canadian Pacific, measured in terms of gross ton miles in freight and passenger service, declined from 171 billion in 1952 to 148 billion in 1962—a decrease of 13.7 per cent.

While changes in the volume of traffic handled and changes in employment levels are not necessarily precisely in the same relationship, there can be little doubt that a drop in traffic of the magnitude of 13.7 per cent must inevitably account for a significant proportion of the total decline in railway employment levels over the ten-year period. Unquestionably a factor in this loss of traffic by the railways has been the result of the improvement in the technology of competing forms of transportation.

Many of the changes that are causing employee dislocation in the railway industry are stimulated in part by the competitive position of the railways relative to waterways, highways and airways. Expenditure of large sums of public capital for alternate modes of transportation i.e., waterways, highways

and airways, has had the effect of draining traffic away from the railways. Major projects which might be mentioned are the St. Lawrence seaway, the Trans-Canada highway and other large provincial highway improvement schemes and numerous air terminals. Legislation impeding or prohibiting the right of the railways to make adjustments in their working forces in the face of these circumstances would be grossly inequitable.

Any technological change which counters adverse competitive conditions or offsets the influence of rising wage costs, thus enabling the railways to stay in business, is beneficial to the majority of employees, even though a small minority may be adversely affected by the change. To the extent that introduction of technological change by the railways is retarded by requirements to retain a minority of employees in redundant jobs, or to meet unemployment compensation payments on their behalf out of railway revenues, the employment prospects of the majority of the railway work force will suffer accordingly.

Any legislation which singles out an industry such as the railway industry and imposes liability for the rehabilitation or compensation of redundant employees on the railways, as does Bill C-15, ignores the fact that the economic welfare of the employees of an industry is inextricably related to the economic health of the industry itself; and that the imposition of an unwarranted financial burden on the industry must inevitably work to the disadvantage of the employees.

The association would not wish the committee to reach the erroneous conclusion that reductions in the absolute levels of railway employment are synonymous with layoffs of railway employees. Work force adjustments are in fact achieved to a very large extent through the processes of normal attrition, i.e., separations occasioned by retirements, resignations, deaths and dismissals for cause. Canadian national estimate that their rate of attrition is about 12 per cent per annum, which means that over a period of one year some 12,000 employees leave the service on this account thereby creating vacancies to be filled when required or to allow reductions in the work force without actual layoffs. If the work force were fully flexible and adaptable, all of the reductions in staff which have taken place over the ten-year period could have occurred without a single layoff having taken place. Because of the extent of railway operations, however, the variety of crafts involved, the levels of skills required within individual crafts and the restrictions imposed by seniority rules, it is not possible in all cases to offset layoffs by normal attrition. It is interesting to note that on Canadian pacific during the ten-year period 1952-62 there was a reduction of 25,600 persons employed, yet in this period the number of employees who, through the process of attrition, left the service amounted to 88,000. It should be obvious that the direct impact on employees willing and able to remain in service has been far less than might be suggested by the absolute figures or percentages representing the change in employment levels.

The association also wishes to emphasize that there is a positive aspect to the employment effects of almost every technological or other major change introduced by the railways. Changes such as the introduction of data processing, centralized traffic control, automatic hump yards, mechanization of work equipment or terminal run-throughs to which the unions refer in their brief, are not introduced solely or even primarily in order to dispense with employees. The primary purpose is to provide safer and more efficient rail transportation at the lowest cost for the benefit of all Canadians. While these changes may reduce the need for employees doing routine clerical jobs or unskilled manual labour, they increase the number of job opportunities where skill, training and technical knowledge are required and, incidentally, where

wages are higher. In addition, management's initiative has resulted in some changes being introduced which have a highly beneficial effect in terms of ensuring continued and expanded employment. For instance, the recently announced extension of Canadian National's red, white and blue fares west of Montreal will provide over two hundred additional jobs for sleeping and dining car employees.

In the railway industry, where a lengthy strike is intolerable, wages and working conditions are more subject to union pressure and less to the market forces of supply and demand than they are in other industries. Therefore, freedom to adjust the size and composition of the railways' work force is one of the principal means of regulating their wage bill. Enactment of Bill C-15 limiting as it would the ability of the railways to economically reduce the size of their work force would be equivalent to removing from the railways the power to exercise control over the size of their wage bill. In 1962, the cost of wages and fringe benefits amounted to 61 per cent of operating expenses. Increased costs which would result from limitations being placed upon the railways' ability to adjust their plant or regulate the size of their work force, as envisaged by Bill C-15, would inevitably affect the railways' ability to compete. Where the railway is unable to compete, this would mean fewer job opportunities for its employees.

If the railways were placed under such restriction as that proposed in Bill C-15, they would necessarily become reluctant in future to increase their labour force, even at the risk of losing traffic. This could be a powerful deterrent to the creation of new job opportunities.

The government of Canada, in legislation creating the unemployment insurance commission, has established amounts and conditions under which Canadian workers are entitled to unemployment insurance benefits. Part of the premiums for these benefits are a charge upon the employers. Legislation of the type suggested in Bill C-15 would make railway employees a special privileged class in the nation as a whole in that they would become entitled, by legislation, to something more than other workers who receive unemployment insurance, with the cost of the additional protection falling entirely upon the railways.

At this point, it is of particular interest to note that the government of Canada has announced an employment and manpower development program which contains specific reference to the problems of technological change. The minister of labour, the Honourable A. J. MacEachen, made a statement in the House of Commons which is reported in the *Hansard* of June 10, 1963, page 821, explaining the government's policy in this regard:

> While some aspects of this employment and manpower development program are naturally related to measures introduced by the former government—and in this connection I wish to acknowledge the work of my predecessor—this program represents a new and distinctive approach. One of the new elements is the fact that the various measures are being put forward as a co-ordinated and balanced program rather than as a series of disconnected or separate efforts. In this way a more positive and vigorous attack can be mounted in cooperation with other federal and provincial government agencies, employer organizations, unions and all other groups in seeking solutions to the present employment and manpower problems facing us. This manpower program is designed to deal with unemployment, training and employment security.

The steps to be taken by the government in implementing this program were outlined by Mr. MacEachen, and with respect to step No. 5 he said:

5. Technological change and manpower development.

To assist labour and management to meet the employment problems caused by technological and other industrial changes, a manpower consultative or development service will be set up in the Department of Labour. This service will help develop programs designed to promote greater employment security. Provision will also be made for financial assistance to employers and unions for research on manpower development in advance of technological changes. In addition, a re-employment incentive will be provided to employers and the provinces to help workers and their dependents displaced by industrial change.

To discriminate against the railway industry and in favour of one segment of the labour force in the manner contemplated by Bill C-15 at a time when government action in the much broader sphere of the overall impact of technological change is already well in hand would, in the opinion of the association, be manifestly unjust.

The statement was made before your committee on Tuesday, October 15th, as reported in the transcript for that day on page 70, that the railways are making substantial annual savings through technological changes and that "part of those savings brought about by technological change or innovation should be allocated to assisting the people who are adversely affected; whereas, to date, we are the only ones who are adversely affected." While it is correct that economies have been effected in recent years by the institution of various operational changes, this has not produced any so-called "savings" for the railway companies or their shareholders. On the contrary, these "savings" have been more than swallowed up by the increases in wages and fringe benefits which accrued to railway employees during the same period.

In summary, The railway association of Canada submits that Bill C-15 should not be endorsed by the committee for the following, amongst other reasons, set forth in greater detail in this submission and in the submission dated July 5, 1963:

(1) The portion of Section 182 of the Railway Act which is the subject matter of the proposed amendment, belongs to a bygone era and the the whole of it should, in fact, be deleted rather than extended;

(2) The proposed legislation is wrong in principle in that it would add to the burdens imposed upon railways by public policy at a time when parliament is on the threshold of considering legislation to implement the MacPherson royal commission report, which contains the major recommendation that the present burdens imposed on railways by public policy should be lifted from them. Furthermore, it would also impinge upon the function and responsibilities of railway management;

(3) The legislation imposes burdens on one class of employers and confers special benefits on one class of employees and accordingly is discriminatory and wrong in principle;

(4) Legislation of this character can only serve to weaken the railways to the ultimate disadvantage and loss of railway employees generally. This, at a time when the railways are already hard-pressed by competition from other forms of transportation which use facilities provided at public expense, and by union demands for increased wages and fringe benefits.

Thank you very much.

The CHAIRMAN: Thank you, Mr. Richardson.

Mr. ROCK: Mr. Richardson now has read two briefs on behalf of the Canadian Pacific Railway and the Canadian National Railways. I do not know whether or not we should start questioning him now or proceed with the questioning of the gentlemen from the brotherhood. We might have Mr. Richardson back at a later date so that we could study these briefs more carefully and prepare questions for the representatives of the C.N.R. and the C.P.R., and in this way save more time. It might be preferable to continue with the brotherhood at this time so that they would not have to come back time and again as they have in the past.

Mr. FOY: I agree.

The CHAIRMAN: Before I give the floor, I would like to point out to hon. members that it has been agreed that right after the presentation of Mr. Richardson we would proceed right away to give the floor for questioning on the brief of Mr. Hall.

Mr. FISHER: I agree with Mr. Rock in terms of postponing the questioning. Certainly I know personally I could take up a whole hearing in questioning Mr. Richardson. I would also like to point out to the members that the argument, to a large extent, used by the railway association in this brief hinges upon contingencies relating to the Minister of Labour and the Minister of Transport. It seems to me that the committee should ask that the briefs be drawn to the attention of these two ministers and that they be prepared to appear before this committee to give the committee some kind of assurance in respect of what the railway association has put forward here. To my knowledge I cannot accept that the government has such a comprehensive program. I do not say this in a critical vein. It just is not clear to me. I think since this is a most important part of the railway association's presentation, we must hear from these gentlemen.

I would like to ask Mr. Richardson a question which is procedural, and has nothing to do with the brief.

The CHAIRMAN: Of course I have to hear the question in order to know whether or not it is a question of procedure; I hope it is.

Mr. FISHER: Yes. It is a serious question. We have had a presentation by the railway unions; we have had a presentation by the railway association. I know we can ask the union people about their negotiations with the railways. One of the questions which comes up is, why should this be brought up here at all, and why could it not be a matter for negotiation between the unions and management? Because of that question, which I am sure is in the minds of some members of the committee, I would like to ask Mr. Richardson whether he and the other persons associated with him are in a position to speak for railway management on this particular point.

Mr. GREENE: I object to that.

The CHAIRMAN: We must have the interpretation first, Mr. Greene. Is this a supplementary question, Mr. Greene?

Mr. GREENE: It is an objection to a question being put to this witness. I do not think fragmentary cross-examination, part taking place today and part next week, is going to serve any useful purpose. I think Mr. Fisher has made his point clear by posing the question. Certainly there is the inference in this brief that this is not a proper subject matter for collective bargaining, and anyone who puts this in a brief would certainly be prepared to answer in cross-examination questions relevant to collective bargaining. I do not think the question should be put at this time.

The CHAIRMAN: I think the only way we could accept this question would be by unanimous consent of the committee. I do not think we have that. Therefore, I rule it out of order.

Mr. FISHER: Then I move, Mr. Chairman, seconded by Mr. Orlikow, that this question be put.

The CHAIRMAN: I think we have had the unanimous consent of the committee to go back to the union people for questions.

Mr. FISHER: I will withdraw the motion.

Mr. GREENE: On a point of privilege, before Mr. Richardson leaves, I would submit that any delegations which present written briefs should provide sufficient copies in both French and English so that there would be ample copies of all submissions available here, not only for the members of the committee, but also for the witnesses and others. This morning we find there are not sufficient copies of the submission of October 9. I believe some were mailed; that is aside from the point. I would submit as a common rule that there should be submitted three times as many copies in French and English as there are members of the committee.

The CHAIRMAN: I must mention to you, Mr. Greene, that all members of the committee have received copies of the brief either yesterday or this morning.

Mr. GREENE: Apparently they went out in the mail. Witnesses, however, have a right to see these things, and if there are no copies how can they see them? Members may require more than one copy. Some of us might like to obtain advice from other parties in respect of these representations. I think that anyone who wishes to submit written evidence surely can bear the burden of the expense of supplying three copies in each language for every member of the committee.

The CHAIRMAN: I must point out, Mr. Greene, that all members have not got their copies here. If they had, we would have sufficient for everyone. Some members have picked up copies from the table because they probably have forgotten their own copy in their office; that is why we are short this morning. We did have sufficient if members had brought their own copies.

Mr. HORNER (*Acadia*): May we get on with the questioning, Mr. Chairman?

Mr. BEAULE (*Interpretation*): I thoroughly agree with Mr. Fisher that we should put off the questioning of Mr. Richardson until another occasion. Nevertheless, I see from the brief presented by Mr. Richardson that questions arise which appear to be contradictory. It seems to me desirable that Mr. Richardson remain so that when questions are put to the union witnesses he can hear the answers they give.

Mr. HORNER (*Acadia*): Let us get the union members before this committee and proceed.

The CHAIRMAN: If we can get back to our business, are there any further questions now in respect of the brief of Mr. Hall?

Mr. ORLIKOW: Mr. Chairman, this question of the decline in staff and whether there should be any compensation for those laid off is, of course, a subject on which we have heard briefs from the unions and the companies. I would like to ask the representatives of the unions to tell the committee whether that has been the subject of discussions between the unions and the companies in recent negotiations, what the response of the companies has been, and what the results have been if this matter has come before the conciliation board? What action has the union followed to get this kind of thing, which is embodied in the legislation, embodied in their collective agreements rather than in the legislation?

Mr. A. R. GIBBONS (*Secretary, National Legislative Committee, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees*): Mr. Chairman, because this had seemed to be a question in the

minds of many of the members during the last two appearances, we have gathered together information on this. There are some seven or eight pages. Would you like me to read it, or may I ask that it be incorporated in the minutes?

Mr. ORLIKOW: I think it should not only be incorporated in the minutes, but it should be read because this is the crux of the whole problem with which we are dealing.

Mr. WATSON (*Assiniboia*): Could Mr. Gibbons supply us with a copy so that we could read it as he goes along?

Mr. GIBBONS: I am sorry, we do not have sufficient copies on hand for distribution at this time.

The CHAIRMAN: Is it the pleasure of the committee that we hear Mr. Gibbons read this?

Agreed.

Mr. GIBBONS:

In November of 1957 the non-operating employees on the Canadian National, the Canadian Pacific and five other railways submitted to these companies a set of demands that included a request for severance pay. The proposal in question read as follows:

> (5) The principle of severance pay shall be recognized and established. The railways and Railway Express Agency Incorporated, shall set aside four cents (4¢) per hour per employee for severance pay, to be allocated among employees whose services are being terminated, on a basis of amounts and years of service to be mutually agreed upon.

Subsequently it was mutually agreed that no settlement could be reached by collective bargaining and all issues were turned over to a conciliation board under Mr. Justice H. F. Thomson, of Saskatchewan, which concluded in a majority report that:

> That would be a far-reaching provision with so many implications that nothing should be done about it without the fullest investigation. Without this essential information and in the absence of any comprehensive explanation of the manner in which it would work out, it is difficult to make any recommendation. It is generally agreed that severance pay is relatively unusual in Canadian industry. There is no generally prevailing pattern which would justify its introduction at the present time. Under the circumstances the board is unable to make any recommendation in respect of this demand for severance pay.

In calendar terms, the next attempt to deal with this situation was made in early 1961 by the brotherhood of locomotive engineers in two separate notices, one served on the Canadian National and the other on the Canadian Pacific. Negotiations failed in both cases and the disputes were conciliated in the fall of that year by separate boards under the chairmanship of Judge J. C. Anderson, of Ontario. The organization had requested compensation for moving expenses and financial loss on the sale of homes from both companies and also wanted the C.P.R. to give them a voice in regulating the introduction of operating changes during the life of the contract. With regard to transfers, the majority report said:

The brotherhood proposes a new rule to provide engineers for compensation for loss incurred in the sale of their property and expenses in connection with moving personal effects when required to relocate their residence as a result of change in terminals.

The engineers point out that terminal points have been established and designated by the company, and following the establishment and designation of terminals, engineers have been required to establish their homes at work out of such designated points, and that during the course of time locomotive engineers have bought or built homes and contributed to the building up of a community in which they were expected to live.

The brotherhood says that as a result of "dieselization" many services that were necessary when steam locomotives were used are not necessary now. There has been a discontinuance of water tanks, coal chutes, pits, round houses and cutting down of shop staffs, and sometimes one locomotive engineer now performs work previously requiring several to do, and because of the advantages of the new innovations in motive power employees who are required to move their families away from the homes they have spent many years to acquire, and away from the social life they have established, and the many municipal improvements they have helped to pay for, should be protected against losses in the event of the sale of their homes or moving away when the exigencies of the operation require them to change their place of residence.

The wording of the new rule that the brotherhood proposes may be found on page 5 of the company brief and starts out as follows:

> When a locomotive engineer is forced to move from a home terminal to exercise his seniority to enable him to work because of management's desire to run trains two subdivisions or through existing home terminals, (existing home terminals to mean home terminals existing in 1957) or through former turn-around points. Such locomotive engineers must be compensated for the moving of household effects and further, must be compensated for any monetary loss from the sale of homes.
>
> The cost of such homes to be determined on the value of the current condition of the homes had such homes been offered for sale two years prior to the notification of change in operation. The home to be defined as meaning the house, property the house stands on, the garage and necessary outbuildings and the property that such garage or outbuildings stand on. It to be understood that any locomotive engineer who has already suffered a loss because of the running of crews through home terminals or two subdivisions, that this article of the contract be retroactive.

Management in reply says that as far as the agreement is concerned, management's rights are unrestricted in the matter of extending runs or changing terminals, and that the rule which has been in force since 1959, article 26, clause 1, amply protects the brotherhood to the point of providing for impartial arbitration if agreement cannot be arrived at concerning the establishment or the changing of home terminals.

This whole knotty question of whether or not employees should be compensated in circumstances where, because of changing working conditions, they may be required to move to other towns or localities, if they are to keep their jobs, has now reached the discussion stage in the Canadian parliament. Recently the Minister of Transport announced to the house that this whole question will be referred to a parliamentary committee at the next session for investigation and report. The matter that the brotherhood raises in this request is a most complicated one, and could be extremely costly if the brotherhood's request were granted. On the other hand, there are many arguments which the brotherhood has advanced to show that in some circumstances, the employee's plight when forced to move because of operational changes, should to some extent and in some way be alleviated by some form of compensation.

Recommendation—

The board is aware of the fact that by reason of "dieselization" and changing schedules and terminals, many employees may be uprooted. However, it takes note of the fact that recently the Minister of Transport announced that this whole problem would be referred to a legislative committee of the House of Commons at the next session of the federal parliament.

No doubt this committee will go into every aspect of the matter and make a report thereon. In the meantime, the board of conciliation feels that the present arrangement should not be disturbed and therefore it recommends that the brotherhood's request as outlined in its proposals be not granted in the forthcoming contract. The board does not wish in any way to influence what the committee might decide.

On the question of operating changes, the Brotherhood's proposal was that:

> The company shall not make any material change or alteration to existing working conditions or introduce new methods of operating during the term of this contract, without the concurrence of the general chairman of the brotherhood of locomotive engineers.

The majority report said:

> The brotherhood states that it has put forward this request because there has been a growing trend in management circles toward imposing unilaterally-decided changes in working conditions during the life of the agreement, by invoking the doctrine of management rights, and that the history of recent efforts by the brotherhood of railway trainmen to negotiate a definition of fundamental rights, has left much to be desired. The brotherhood suggests that the employer might, under some circumstances, be prepared to and might invoke the "management's residual rights theory" to override protective clauses to support unilateral actions on matters which might affect the employees' rights and interests.
>
> The brotherhood says that no doubt the railway would submit that, because of a long relationship of collective bargaining between the parties, that there need be no cause for concern over possible abuse of the management's rights clause, but the brotherhood's view is that the management's rights clause should not be viewed in the light of existing good relations and mutual understanding, but that it should be examined in the light of how such a clause could be used by a hostile employer at any time in the future.
>
> The company, in answering the argument of the brotherhood, asserts that to argue that no new methods of operating will be introduced during the term of the contract without the concurrence of the general chairman of the brotherhood, is a direct infringement on management's right to make the decision which management must make in order to operate efficiently and remain competitive. It also asserts that if the railway were to agree to the proposal, it would be a restriction of its authority which would put in the hands of the general chairman of the brotherhood's unilateral right to restrict company policy in respect of methods of operation and the introduction of new devices designed to increase efficiency.

Recommendation—

> The board does not feel that it should recommend the inclusion in the contract of the brotherhood's proposed preamble paragraph respecting management's rights but, on the other hand, it sees no reason why, if the company does intend at any future time to make any material change or alterations to existing working conditions, or if it does intend

to introduce new methods of operating during the term of the contract, it should not, in so far as possible, give such advance notice as it can to the general chairman of locomotive engineers, and should discuss the effect of the changes with the said chairman.

Also in 1961, the brotherhood of railroad trainmen served separate notices upon the Canadian National Railways and Canadian Pacific Railway; in both there was a demand for some influence over proposed changes in working conditions similar to the one put forward by the locomotive engineers. The trainmen proposed:

No material change or alteration of conditions of employment shall be made during the currency of the contract unless mutually agreed to by both parties.

In each case the dispute went to conciliation boards and again, as with the engineers, both were headed by the same man, Judge J. B. Robinson, of Ontario. The majority report dwelt at some length with the management rights issue and its importance in the immediate dispute, and then concluded:

It can hardly be expected that a conciliation board would recommend such a proposal at a time such as this, when the railroads in Canada have lost a good deal of passenger traffic to bus transportation, air lines and the private motor car; and when truck transport, commodity pipe lines and water transportation are securing an ever increasing share of freight traffic that was once handled so largely by the railways.

Observations by Board Chairman—

In spite of the above, the board chairman recognizes that this brotherhood is seriously concerned with the prospects of the reduction in numbers of railroad employees and that it is only natural for the employees themselves to be very much concerned about the possibility of lay-off. It cannot be denied that the question of technological and other changes, including automation, has presented a very serious problem to unions representing employees in certain fields, and that this problem is a growing one.

This is, of course, in the nature of things, because management, facing the problem of the increasing cost of labour and materials and decreasing returns, is driven to seek more efficient and less costly methods of operation, including, where possible, mechanization and automation of processes and work procedures. That this is a major problem which will require the full co-operation of management and labour alike is generally recognized, but it would appear that the solution is not likely to be readily found and may require, perhaps, the attention of parliament itself.

However that may be, it is the opinion of the Board chairman that the brotherhood proposal, if instituted, might well seriously hamper the company in exercising the normal management responsibility for carrying on its operations in an efficient manner to meet the intense competition which it must face.

Recommendation—

For the reasons outlined above, this board does not see fit to recommend the adoption of the brotherhood proposal.

This board does recommend that without any contractual requirement so to do, this company should discuss with the brotherhood impending changes in operation that would substantially affect the work

security of the employees or their earnings in recognition of the legitimate interest of the brotherhood in the welfare of its members and the natural sensitivity of the employees to the question of work security.

The intent of this recommendation is that, in the event of such discussion, the failure of the parties to agree would leave it open to the company to take such action as it saw fit, subject, of course, to its contractual obligations under the collective agreements.

In a minority report of the same board, Senator A. W. Roebuck, brotherhood nominee for the board, said with respect to this item:

Since the company is to be bound to maintain the conditions basic to the prospective agreement only to the extent that they are protected by the express terms of the agreement, the brotherhood, in my opinion, is justified in demanding that the agreement be widened to prevent material changes in working conditions during the currency of the agreement except by mutual consent.

Such a provision need work no hardship on the company, for it knows now what material changes it will desire to make in the course of the next two years. If the company persists in its unfair advantage, the government should repeal the no-strike provision in the act as to matters outside the agreement, with conciliation provisions made applicable.

The majority report fails to cope with this problem, though the chairman notes that such a problem exists. He says:

> That this is a major problem which will require the full co-operation of management and labour alike is generally recognized, but it would appear that the solution is not likely to be readily found and may require, perhaps, the attention of parliament itself.

Parliament could, as stated previously, repeal the no-strike provision in the act, or could amend the act to include the provision which the brotherhood would incorporate in the forthcoming contract, that reads as follows:

> No material change or alteration of conditions of employment shall be made during the currency of the contract unless mutually agreed to by both parties.

In proceedings before another board of conciliation, the brotherhood suggested a procedure to be followed when mutual agreement is not obtainable. The brotherhood added to the clause immediately above mentioned, the following paragraphs:

> If after negotiations, mutual agreement cannot be reached on the change or alteration of conditions and employment, the dispute shall be submitted to arbitration, and the arbitrator shall rule on the issue on the basis of the merit of the company's request for such change and the fundamental rights of the employees.
>
> When the issue has been decided, the company will then be free to make such changes as are based on the findings and recommendations of the arbitrator.

It is therefore my recommendation that the prospective contract between the parties contain the above-quoted provisions.

In December of 1961, nearly a year after the running trades' original demands and four years after the Thomson board turned down severance pay, the associated non-operating unions again submitted demands to the Canadian National, Canadian Pacific and five other Railways, and these included a

seven-point request for a job stabilization program. In the summer of the next year, 1962, a unanimous recommendation by a conciliation board under Mr. Justice F. C. Munroe, of British Columbia, included provision for a job security fund:

1. To mitigate hardships suffered by long-service employees when their jobs are eliminated.
2. To enable long-service employees who are being replaced and who need to be retrained to qualify for new jobs available with the same employer, and to enjoy a means of support while so engaged.
3. The revision and adaptation of seniority and other rules in order to facilitate reasonable mobility of workers, with the intent that long-service employees shall have a preferential right to other jobs that they are capable of performing.

Since then, special union-management committees have been set up to examine existing seniority lines for changes that may have become desirable with the changed working conditions. As we indicated in our brief, however, we have so far been unable to agree upon some of the key eligibility requirements for benefit from the fund of one cent per hour worked. What has been more or less settled is that due to the small size of the fund it would be impossible to ear-mark any part of the benefit just for moving costs or retraining since even persons who lose their jobs will be get nothing unless they have upwards of seven years of service and even then they will probably have to have more than twelve years' service in order to collect less than fifteen dollars per week for a period of about a year.

Except for the one very limited success just described, the organizations have been wholly unable to obtain any relief from the burdens of automation. On the evidence to date, it seems perfectly clear to us that the railways intend to resist any and all attempts to the limit of their ability. Translated into collective bargaining terms, this means that it will take a strike to get an agreement. Based on the record, parliament would first be brought into any such dispute, and had we not already tried to work through the existing legislation, we would undoubtedly have been criticized for that. Moreover, we have been impressed that in the last two years two conciliation boards have specifically skirted this issue on the grounds that it was in an area Parliament either should or was about to enter. Section 182 of the Railway Act and the Canadian National-Canadian Pacific act do exist as evidence of parliament's real concern for railway employees and their families, and making this existing legislation operative for existing conditions seems to us an obvious and highly reasonable undertaking.

The CHAIRMAN: While you are deciding if you wish to direct questions in this connection I would like to take a minute to mention something I should have done at the beginning of the committee meeting.

I would like to point out that in order to comply with the request made by one of our French speaking members of the committee—and unfortunately the name is not given—we should obtain a French translation of a judgment by Judge Cartwright of the Supreme Court. I refer you in this instance to page 24, number one of the Minutes of Proceedings and Evidence dated July 4, and October 8.

The INTERPRETER: (*French*)

Mr. CROSSMAN: Are we going to meet at 2 o'clock this afternoon?

The CHAIRMAN: Well, I should mention to you that although we have had a motion this morning to ask for permission to sit while the house is sitting I will have to ask for that permission this afternoon, as a result of which your question will have to stand until next Tuesday.

Mr. ORLIKOW: Mr. Chairman, I have three questions to put and then I will be finished. It may be that two of these questions really should be put in the form of a notice as the unions may require until our next sittings to get the information.

My first question is this: It was implied in the brief we heard from the railway association this morning that this proposed legislation, in fact, would give the railway workers benefits which no other workers in Canada have.

The question I would like to ask is this: Have the railway unions any information as to whether other industries and other unions in Canada have negotiated agreements whereby workers receive either severence pay or supplementary unemployment insurance or other benefits? As I say, it may be that the witnesses are not prepared to answer that.

The CHAIRMAN: Is the witness prepared to answer it now? Mr. Orlikow, if you permit me, I can see the witness is already prepared to answer your first question, so I think we should let him do so.

Mr. WELLS: I think Mr. Orlikow, because of its specific nature, we would like notice in terms of actually providing figures on firms which provide severence pay or supplementary unemployment insurance benefits. There is some information compiled by the Department of Labour and we can provide you with this at the next sitting. We do not have it today.

There are a great number of these agreements in other industries. In general I can say that for non-union and management personnel it is a fairly general practice to pay their moving costs, and also in many cases to pay financial loss on their homes although I doubt whether quantitative information is available. I doubt whether we can give you a quantitative answer to that, but we will give such an answer on the other part of the question.

The CHAIRMAN: Will you then continue with the other two questions?

Mr. ORLIKOW: The second question I would like to ask, Mr. Chairman, is as follows: Have the unions any examples, or can they obtain any examples which would illustrate the kind of problems which individual members have run into as a result of past practices of the companies, such as resulted from the diesel program? I am thinking, for example, of union members who lived in northern Ontario towns such as Sioux Lookout, who had to move because these places were virtually closed up, and of the kind of losses which they suffered which were not covered by any moving expenses; for example, the fact that their houses were virtually unsaleable, and so on.

The CHAIRMAN: Are you prepared to answer that?

Mr. GREENE: I have a question supplementary to that.

We should give advance notice to the unions with regard to statistics.

There is an inference in the briefs of the companies that this is a purely hypothetical matter, that these people are very largely brought back in by natural attrition and so on. I think we should know whether we are in an ivory tower or in a real world. How many people have lost jobs through this?

The CHAIRMAN: Mr. Gibbons.

Mr. GIBBONS: I trust you will appreciate, Mr. Orlikow, that we would like to take notice of this question as well. We are in the process of trying to develop some statistics, but I must admit we are not equipped to provide that information to the extent the railway companies are. However, we will attempt to give the answers to these questions.

Obviously, we will have to examine closely the railway brief when it is made available to us in order to study the statistics they present; so I would like to take it as notice, Mr. Chairman.

Mr. ORLIKOW: The last question I have is this. I would like to ask Mr. Gibbons how important this issue is to the workers in the railway industry.

The railway submission today suggested that this bill would cover special benefits not now enjoyed by any other workers on the railways. If parliament does not proceed to a passage of a bill, are the principles involved in this proposal so important that the unions involved conceivably or likely will recommend a strike to members to force this kind of thing through by their economic powers? I ask this because if it is, then the action of parliament in imposing some kind of settlement such as we have had in the past becomes important, and passage of such a bill might obviate that kind of problem.

Mr. GIBBONS: We as railroaders are supposed to have 20-20 vision, but this is rather a difficult question to answer for employees. I think you will appreciate that it is difficult to look into the future.

We have been before the government on five different occasions, annually, requesting consideration of amendment to section 182 of the Railway Act. Our people are getting a little tired of us going out into the country and telling them that we have been making these representations to the government. It took us five years to get before the standing committee.

The fact that at our first appearance we had representatives in excess of 50 in number who represented the elected representatives, from all over Canada, of all the railroad unions, I think bears consideration in assessing the answer to your question, Mr. Orlikow.

It would be impossible for me to say that we would go on strike, but I would suggest in all sincerity that if we cannot obtain relief through an amendment to the act then of course we will have to consider other means. What the outcome would be I am not prepared to say right now.

Mr. HORNER (*Acadia*): Mr. Chairman, I have three questions I would like to ask. The first deals with the figure on page 4 of the brief submitted by the railway association on October 25. It says here that the reduction rate owing to retirement, resignation, death and dismissal is about 12 per cent. I asked a question at an earlier meeting, in an endeavour to determine what is the percentage of the reduction of labour in the railway labour force brought about by death, resignation and retirement, and you could not give me an answer. Here is a figure, namely, 12 per cent. Would you agree with this? To what percentage over and above that would Bill C-15 apply?

Mr. WELLS: In answer to that I have to begin by saying that I am not clear as to what time period that 12 per cent applies to.

Mr. HORNER (*Acadia*): To one year.

Mr. WELLS: It sounds rather high to me but it is not the kind of information that the unions collect. We can only base our knowledge on figures presented by the railways either to us or to the dominion bureau of statistics. However, the question of the usefulness of an attrition rate of any sort is limited when it is practically meaningless, and it is meaningless when compared directly to an over-all reduction.

Suppose there is a retirement in the Montreal region and the job at the time of retirement is still in existence, this individual is replaced but there may be a lay-off in Vancouver. If you simply take the retirement and look at the lay-off, you can say that attrition took care of it. In fact, it did not; it had nothing to do with the lay-off in that group. So, in order to make use of attrition figures you have to look at the gross turnover rate in employment. You would have to have the total change in employment, both the numbers moving in and out, in all areas to make any sense out of these two figures. But I am afraid that at that level the unions are just helpless; it is not within our ability to collect that type of information.

Mr. HORNER (*Acadia*): I have two more questions, but first of all I would like to say briefly that I am a little taken aback by the union's apparent

disregard of the question as to how many people will be affected by Bill C-15. This is an answer that is vital to me. I want to know to how many people, to what percentage of the labour force, this will apply. I hope that at a future meeting the unions can come up with a relative percentage; I do not want to know what is the exact number.

Mr. FISHER: Maybe Mr. Wells could tell us what is the real difficulty in getting these statistics, and that might be an explanation.

Mr. HORNER (*Acadia*): I have two more questions and I want to put them. I know the difficulty would be great but from a layman's point of view it would seem that the union should know how many people are being retired each year, because they are union members. It should also be known how many new people are hired, how many new people join their unions. I think they could give the relative percentage from their own information.

The CHAIRMAN: Please put your other questions.

Mr. HORNER (*Acadia*): My second question deals with a similar statement on page 4 of the same brief:

> If the work force were fully flexible and adaptable all the reductions in staff which have taken place over a ten-year period could have occurred without a single lay-off taking place.

It has long been my belief that there are too many unions in railroads and they are not flexible enough.

The CHAIRMAN: Is that a question?

Mr. HORNER: My question is this: Do you think the various unions governing railway workers are flexible enough to facilitate continuance in employment by the workers?

Mr. GIBBONS: If you can tell us where our people could move, then perhaps we will be able to give you a better answer. The whole problem is that there has been a decline in all branches of railway employment with the exception of one or two, such as signalmen, and it seems that management figures also have increased somewhat; but we are not all management material and therefore we have no entry into that field. We would be tickled to death if we could take redundant firemen who could not work in one seniority district and move them, preventing one-man operation in another district. I am sure the railways would not agree to that.

Mr. HORNER (*Acadia*): I have a supplementary question. You asked me a question in your answer. You asked if we could tell you where we wanted them to move to. Well, there is one case very much in my mind. There could be possible movement from one union to another in the railroads if the workers were not subject to loss of seniority. I am thinking of several cases in western Canada with the closing down of the shops. I know of several instances of shop workers who had an opportunity to find employment on the railroad in the rip track who did not take it because of the fear of losing their seniority, and they were out of a job and had to take their pension. In one case particularly the employee had to take his pension three or four years earlier than he would have taken it normally.

The CHAIRMAN: Do you agree with me that your supplementary question is not a question, or at least that you have not posed it yet?

Mr. WATSON: I have a supplementary question on Mr. Horner's point. When a member of a railway union has been dislocated, does it ever occur that another union refuses him membership altogether or does it occur occasionally that he is not refused but that any transfer means a complete loss of seniority?

Mr. GIBBONS: I think the best way to answer this is by saying that we could have an endless argument on pros and cons of seniority and whether it is good or bad. We happen to belong to a class which for certain obvious reasons believes in seniority. I would say that there is a trend toward the unions taking responsibility in this regard, and negotiations are going on between different craft unions, within the shops and the like, to assist those who would be affected.

Mr. HORNER (*Acadia*): I have one more question.

The CHAIRMAN: Your third and last question.

Mr. HORNER (*Acadia*): In a judgment handed down in the summer of 1962 there was granted some severance recognition, at least for the long service members or long service employees. I think this was mentioned in the statement you read a little while ago. How was "long service" interpreted? How long a time constituted "long" service? Long service is an indefinite period.

Mr. GIBBONS: Mr. Chairman, the only mention in the negotiations between the non-ops and the company is that a minimum requirement would be seven years. Actually, it has not been decided how many years would constitute long service. If you go back to the C.N.-C.P. Act, compensation after one year and up to 15 years is provided. In other words, one obtains the maximum benefits under the C.N.-C.P. Act if one has 15 years employment.

Mr. BEAULE: I move a motion for adjournment.

Mr. HORNER (*Acadia*): Before a motion to adjourn is entertained, I think we should decide to meet on Thursday.

The CHAIRMAN: We have a motion to sit on Tuesday next from 10 to 12 and 2:30 to 5.

Mr. HORNER (*Acadia*): Was not Thursday mentioned in the amendment?

The CHAIRMAN: No. The amendment asked for Tuesday, and you agreed.

Then the committee will adjourn until next Tuesday, on which day it will sit from 10 to 12 o'clock and again in the afternoon from 2:30 until 5.

Mr. FOY: Before we adjourn I would suggest that you advise members of the railway association when it is likely that they will be questioned by the committee.

Mr. WATSON: Mr. Fisher mentioned that he would like to hear the Minister of Transport and the Minister of Labour. Would he prefer them to be present at the questioning of the companies?

The CHAIRMAN: I do not think your question is in order, Mr. Watson.

The adjournment has been seconded by Mr. McNulty.

Motion agreed to.

APPENDIX B

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES
CANADIAN PACIFIC SYSTEM FEDERATION
Affiliated with the American Federation of Labor,
The Canadian Labour Congress

Penticton, B.C.,
October 24, 1963.

Mr. P. BOULANGER, M.P.,
House of Commons,
Ottawa, Ont.

Dear Sir:

I wish to take this opportunity to advise you that I sincerely support the Railway Unions Brief for an appropriate amendment to Section 182 of the Railway Act.

I hope that you as Chairman of the Standing Committee on Railways, Canals and Telegraph Lines will do your utmost to have the amendment approved in the House of Commons.

Yours very truly,
W. M. THOMPSON,
Federation General Chairman,
B.M.W.E.

THE ALBERTA LEGISLATIVE COMMITTEE
INTERNATIONAL RAILWAY BROTHERHOODS
Brotherhood of Locomotive Firemen and Enginemen
Brotherhood of Locomotive Engineers
Brotherhood of Railroad Trainmen
Brotherhood of Maintenance of Way Employees
The Order of Railroad Telegraphers
Order of Railway Conductors and Brakemen
Division No. 4, Railway Employees Department
American Federation of Labor

October 24th, 1963.

Mr. P. BOULANGER, M.P.,
Chairman, Standing Committee on Railways,
Canals and Telegraph lines,
House of Commons, Ottawa, Ontario.

Honourable Sir:

The Alberta Legislative Committee, International Railway Brotherhoods, herewith, submit a petition in support of the changes requested by the Railway Brotherhoods to Section 182 of the Railway Act.

We realize, that, you as Chairman of this Committee along with your regular duties as a member of Parliament are quite busy, but, we want you to know how we the employees feel about this section of the Railway Act, we therefor, request, your most sincere support of the suggested changes made by the Brotherhoods to section 182 of the Railway Act.

Thanking you in anticipation, I am

Yours sincerely,
HENRY KOBE, *Chairman,*
9929-116 St., Edmonton,
Alberta Legislative Committee
International Railway Brotherhoods.

October 22nd, 1963.

Mr. P. Boulanger, M.P.,
Chairman, Standing Committee on Railways,
Canals and Telegraph lines,
House of Commons, OTTAWA, Ontario.
Honourable Sir:

We the undersigned wish to request, that, you do support to the fullest measure, the suggested changes of Section 182 of the Railway Act, submitted to the Government by the Railway Brotherhoods.

This we feel is a must, if, we as employees of the railways are to get a fair deal under at least some of the changes taking place in the railway industry.

This is being sent you on the knowledge that the case is now in the hands of Your Committee, and the hope, that, British Justice for all concerned will be the guiding light of Your Committee.

Names of petitioners appear on original manuscript filed in Committees Branch.

Chairman:

Standing Committee of the House of Commons
on Railways, Canals and Telegraph Lines.

Re: PRIVATE BILL C-15

Honourable Sir:

Whereas the city of Calgary is a major railway center, and

Whereas Private Bill C-15 is of direct interest all railway employees, and

Whereas the Standing Committee on Railways, Canals and Telegraph Lines does not include representation from the constituencies involved, Calgary North, Calgary South and Bow River,—

Therefore we, the undersigned, wish to make known to the Standing Committee of the House of Commons on Railways, Canals and Telegraph Lines our whole hearted support of the brief to be presented to you by the Railway Unions in support of Private Bill C-15, and further, we sincerely request the Committee on Railways, Canals and Telegraph give Private Bill C-15 the most favorable recommendation in line therewith:—

Names of petitioners appear on original manuscript filed in Committees Branch.

THE RAILWAY ASSOCIATION OF CANADA
1123 St. Catherine Street West
Montreal 2, Que.

October 25, 1963
29.97-B-4

Mr. Prosper Boulanger, M.P.,
Chairman,
Standing Committee on Railways,
Canals and Telegraph Lines,
House of Commons,
OTTAWA, Ontario.

Re: Bill C-15, "An Act to Amend the Railway Act (Responsibility for Dislocation Costs)"

Dear Mr. Chairman:

Further to my letter of October 7, 1963, enclosing a copy of a submission which we had prepared for the Minister of Labour presenting our views on Bill C-15, we have prepared an additional submission concerning this matter addressed to your Standing Committee on Railways, Canals and Telegraph Lines.

Arrangements are being made to have copies of this submission delivered to you in person in Ottawa on Monday, October 28th, 1963.

Yours very truly,

G. A. RICHARDSON,
General Secretary.

October 1963.

To The Chairman,
Mr. P. Boulanger, Member of Parliament,
To All Members
Of The Standing Committee on Railways, Canals and Telegraphs,
Parliament Buildings,
Ottawa.

Sirs:

We, Employees of The Running Trades, of The Canadian National Railways, Prairie and Mountain Regions, wish to make representation, in favour, of Bill C-15, proposed to Parliament, for the first reading, May 20, 1963, by The Member of Parliament, from Port Arthur, Mr. Douglas M. Fisher.

Our main purpose of supporting Bill C-15, is based on past experience, in abandonment of rail lines and elimination of terminals, by Railway Companies, in Canada. We also feel that if The Royal Commission Report on Transportation, is adopted, it will bring about many line abandonments and elimination of terminals, throughout The Prairie and Mountain Regions, of The Canadan National Railways.

The Canadian National Railways implemented a "Run-Through" program between Winnipeg and Sioux-Lookout, in the spring of 1960. ("Run-Through" refers to the abolishment of a rail intermediate terminal, where crews are normally relieved and turn around). In this case the intermediate terminal was Redditt, Ontario.

As a result of this "Run-Through" program, 33 employees were forced to move from Sioux-Lookout, to other terminals, where their seniority rating would enable them to hold work. No compensation was allowed for loss on sale of homes, lost wages, relocating or moving expenses, etc. In this instant, Section 182, Chapter 234, Revised Statutes, 1952, of The Railway Act, did not apply. Redditt, Ontario, was not abandoned as a station but only as an intermediate or "change off" terminal, for crews, in freight and passenger service operating from Winnipeg to Redditt and Sioux-Lookout to Redditt.

In March, 1957, The Ottawa and New York Railway Company applied to The Board of Transport Commissioners for permission to abandon their line between Ottawa and the United States-Canadian Border (57.9 miles), under Section 168, Chapter 234, R.S.C. 1952. No compensation was allowed to the employees affected. The Brotherhood of Railway Employees protested and finally, on June 26, 1958, the case came before The Supreme Court of Canada. The Supreme Court ruled that Section 168 of Chapter 234, of The Railway Act, was completely alienated from Section 182 and therefore no compensation would be allowed under this Section, of The Act. The appeal of The Brotherhood of Railway Employees was not sustained.

These two cases were brought about by automation and technological changes, in railway operation, in Canada.

If you will refer to the recent attempt of The Canadian National Railways, to implement "Run-Throughs" in The Prairie and Mountain Regions and also the recommendations of The Royal Commission Report, on Transportation, you will readily see the reason why we are vitally concerned that a change should be brought about, in regards to compensation to employees who are displaced by railway policy in the future.

During the steam era, on railways, employees settled in various terminals and established homes, raised families, educated their children and in general lived a comparatively stabilized life. With the advent of The Diesel Locomotive, heavy steel (rails), crushed rock road-beds and centralized traffic control, The Railway Company is not satisfied with the short divisional run and plan to extend the present runs to take in two subdivisions, thus disrupting the very way of life, of these employees. At the same time Rail Management agrees to live up to the context of The Railway Act. As proven in the past, Section 182 of The Railway Act does not have the proper wording to provide compensation to the displaced employee.

Section 29, Chapter 39, R.S.C., 1952, paragraph 6 (a) to (d), of The Canadian National, Canadian Pacific Act, provides ample compensation, to the employee, displaced, but unfortunately does not apply to the abandonment or abolishment of rail lines and terminals proposed on The Canadian National Railways, Prairie and Mountain Regions.

If you refer to The Royal Commission Report, on Transportation, Volume 2, page 124, you will note that the recommendation is worded, in part, thusly: ". . . . This is not to say that labor should be excluded from any plans The Government may have to assist in problems of technological unemployment and relocation of labor forces by re-training or other means. Nor is it suggested that special assistance in this field should not be made available if the parties concerned can demonstrate their need. But such relocation or other assistance should be recognized, known and earmarked separate from National Transportation Policy Objective . . . "

The Canadian National Railways Management approached The Railway Unions with a "Run-Through" proposal, in February and again in May 1963. Both times Managerial Prerogative was used informing The Union Representatives that the "Run-Through" program would be initiated, on August 18, 1963, and it only remained for The Representatives to bring forth a plan for the allocation of work, to the employees, of the terminals effected.

The Industrial Relations and Disputes Investigation Act does not afford protection, to the employees, during the term of a valid contract, and we refer specifically to Section 22, Chapter 152. Section 39, Enforcement of The Act, where it refers to Section 14 and 15 is of an ambiguous nature and does not apply, in the case of a valid term, of a contract or agreement. The Act favors the Employer rather than the Employee.

With this in mind we find that there is only one course open for us to follow and that is to ask for modification to the laws that effect Railway Employees.

The Governments, of the past, enacted legislation whereby new provisions appeared as a subsection (2), of chap. 168, in 1906, then in 1913, chap. 44 first contained a compensation portion within The Railway Act. In The Railway Act, of 1919, a further change was made in the replacement of Section 168 by Section 179, also containing the compensation provisions. The Canadian National, Canadian Pacific Act contains ample compensation and shows the need for consideration, of the employees, when Railway Policies are changed.

We respectfully submit the foregoing information and humbly ask that you, as Members of The Standing Committee on Railways, Canals and Telegraphs, give favorable consideration to displaced Railway Employees.

Thank you,

W. H. EYRE,
Chairman of the Winnipeg Joint Running Trades Committees.

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

TUESDAY, NOVEMBER 5, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

Messrs. A. R. Gibbons, Secretary, National Legislative Committee, and W. P. Kelly, Vice-President of Railroad Trainmen.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

29538-6—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon
Cowan,
Crossman,
Crouse,
Emard,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*),
Watson (*Châteauguay-Huntingdon-Laprairie*),
(a) Webster—60.

(Quorum 15)

Maxime Guitard,
Clerk of the Committee.

ORDERS OF REFERENCE

TUESDAY, October 29, 1963.

Ordered,—That the Standing Committee on Railways, Canals and Telegraph Lines be given leave to sit while the House is sitting.

FRIDAY, November 1, 1963.

Ordered,—That the name of Mr. Richard be substituted for that of Mr. Foy on the Standing Committee on Railways, Canals and Telegraph Lines.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

29538-6—1½

MINUTES OF PROCEEDINGS

TUESDAY, November 5, 1963.
(5)

The Standing Committee on Railways, Canals and Telegraph Lines met at 10:15 a.m. this day. The Chairman, Mr. Prosper Boulanger, presiding.

Members present: Messrs. Addison, Armstrong, Asselin (*Notre-Dame-de-Grâce*), Balcer, Beaulé, Bélanger, Berger, Boulanger, Cantelon, Cowan, Crossman, Fisher, Gauthier, Gundlock, Kennedy, Lamb, Laniel, Macaluso, Matte, McBain, McNulty, Orlikow, Pascoe, Regan, Rideout, Rock, Richard, Tucker, Watson (*Châteauguay*), Watson (*Assiniboia*), Webster (31).

Also present: Mr. Charles Cantin, M.P., Parliamentary Secretary to the Minister of Transport.

In attendance: Messrs. A. R. Gibbons, Secretary, National Legislative Committee, and W. P. Kelly, Vice-President of Railroad Trainmen.

The Chairman opened the meeting and asked the Clerk to read the correspondence received since the last meeting. Four letters were read. Thereupon, Mr. Horner (*Acadia*), seconded by Mr. Watson (*Châteauguay*), moved that all correspondence received during the interval between sittings be affixed as an appendix to the Minutes of Proceedings and Evidence of the subsequent meeting. (*See appendix C.*)

And the question being proposed;

Mr. Beaulé suggested,—That instead of having the Clerk of the Committee read all the correspondence, the Chairman should summarize it.

And the question being put on the said motion, it was resolved, on a show of hands, in the affirmative. Yeas, 15; Nays, 0.

On motion of Mr. Fisher, seconded by Mr. Beaulé,

Resolved,—That the Minister of Transport be invited to appear before the Committee after the questioning of witnesses of the railway unions is completed.

Mr. Beaulé, seconded by Mr. Gauthier, moved that representatives of railway companies be called to appear before the Committee and give all the particulars on line abandonments.

After debate thereon, the question being put, it was resolved, by a show of hands, in the affirmative, Yeas, 15; Nays, 0.

After further debate thereon, by consent, both the mover and the seconder withdrew their motion. On a point of order, Mr. Orlikow pointed out that it was time for questioning strictly on the brief presented at a previous meeting by Mr. Hall, of the railway unions.

Mr. Fisher remarked that the Minister of Transport, or at least one of his officials, should always attend the meetings of this Committee.

Thereupon, Mr. Rock brought to the attention of the Committee the fact that Mr. Cantin, M.P., Parliamentary Secretary to the Minister of Transport, has been attending all the meetings of this Committee.

On motion of Mr. Horner (*Acadia*), seconded by Mr. Balcer,

Resolved,—That Mr. Gibbons table a map showing the railway lines abandoned so far. (*See appendix D*).

Then Mr. Balcer raised a point of order relating to the uneffectiveness of the actual system of interpretation and claimed that the Committee should make the proper arrangements to sit in a room where a system of simultaneous interpretation is available.

Thereupon, Mr. Orlikow moved, seconded unanimously, that the Committee meet again this afternoon in Room 308, West Block.

And the examination of witnesses continuing, Mr. Beaulé, seconded by Mr. Gauthier, moved that the Committee adjourn until 2:30 o'clock p.m.

The question being put, it was resolved, on a show of hands, in the affirmative. Yeas, 10; Nays, 3.

AFTERNOON SITTING

(6)

The Committee met at 4:00 p.m. this day. The Chairman, Mr. Prosper Boulanger, presided.

Members present: Addison, Armstrong, Asselin (*Notre-Dame-de-Grâce*), Balcer, Beaulé, Béchard, Boulanger, Crossman, Emard, Fisher, Gauthier, Greene, Irvine, Laniel, Lessard (*Saint-Henri*), Macaluso, MacEwan, Matte, McBain, McNulty, Orlikow, Regan, Richard, Rock, Tucker, Watson (*Châteauguay*), Watson (*Assiniboia*), Webster—(28).

In attendance: The same as this morning.

The Committee having been called for 2:30 o'clock p.m. no quorum was seen before 4:00 o'clock p.m. when the Chairman opened the meeting. Mr. Beaulé (speaking in French) rose on a question of privilege, to the effect that the Committee should have been called to assemble after the Orders of the Day. However, the Chairman ruled that question of privilege out of order.

Thereon, Mr. Beaulé, seconded by Mr. Matte, moved that in the future, the Standing Committee on Railways, Canals and Telegraph Lines sit as usual, every Tuesday morning from 10:00 o'clock a.m. to 12:00 o'clock noon, and resumed in the afternoon, after the Orders of the Day are called.

And the question being proposed:

Mr. Rock, seconded by Mr. Lessard (*Saint-Henri*), moved in amendment thereto—That the Committee sit every Tuesday morning from 9:00 o'clock a.m. to 12:30 o'clock p.m. The question being put on the said proposed amendment, it was resolved, on a show of hands, in the negative, Yeas, 4; Nays, 9.

And the question being put on the main motion, it was resolved, on a show of hands, in the affirmative, Yeas, 16; Nays, 3.

The Committee resumed its questioning of the witnesses.

Thereupon, on motion of Mr. Rock, seconded by Mr. Beaulé,

Resolved,—That the Washington Job Protection Agreement be affixed as an appendix to this day's Minutes of Proceedings and Evidence. (*See appendix E*).

And the examination of witnesses continuing, at 5:20 o'clock p.m., on motion of Mr. Fisher, seconded by Mr. Tucker,

Resolved,—That the meeting adjourn to the call of the Chair.

Maxime Guitard,
Clerk of the Committee.

EVIDENCE

TUESDAY, November 5, 1963.

The CHAIRMAN: Good morning, gentlemen, we hope that winter will not come too soon. I see we have a quorum and I now declare the meeting open. I would ask the various witnesses to take their seats in the usual places. In the meantime, the first item of business is correspondence, and I would ask the clerk to read the official correspondence we have received since our last meeting.

The CLERK OF THE COMMITTEE: I have a letter addressed to the Chairman, which reads as follows:

Brotherhood of Railroad Trainmen

Lodge No. 783
305 Albert Avenue,
Saskatoon, Sask.,
November 1st, 1963

Honourable P. Boulanger,
House Committee Chairman on Railways,
Canals and Telegraph Lines,
Parliament Buildings,
OTTAWA, Ontario.

Dear Honourable Sir,

I am writing in support of Bill C-15, with a view to amending the Railway Act. No doubt you are aware of the vast changes the Canadian railways are adopting through automation in proposed abandonment of terminals and railway trackage, with curtailment of passenger service, disruption of running trade employees on account of running through terminals, which greatly affect all employees by reduced labor force, as well as property loss, not to mention the cost to employees in moving to other points of employment where such employment is available. It is my understanding the Railway Act as interpreted by the Supreme Court of Canada, does not protect the employees' interest where loss of property is involved, nor the cost of moving to other terminals, or any form of severance pay,

In view of the foregoing, therefore, I would appreciate your support in passing Bill C 15. Thanking you, I am,

Yours very truly,

W. E. Smith
Canadian Executive Board Member
Brotherhood of Railroad Trainmen.

(*Interpretation in French of correspondence read*).

I have a letter addressed to the Chairman. It reads as follows:

Canadian National System Federation
(Western Lines)
Brotherhood of Maintenance of Way Employees
115 Donald Street, Winnipeg 1, Man.

Geo. Dubetz
General Chairman
2413 Wiggins Ave.
Saskatoon, Sask,

October 28, 1963.

Mr. P. Boulanger,
Member of Parliament,
House of Commons,
Ottawa, Ont.

Dear Sir;

My purpose in writing to you at this time is to assure you of our whole-hearted support to your standing committee on railways. Our membership views with alarm the policy of the railways in regards to rail and curtailment of services without any apparent regard of the impact upon the economies of the communities and citizens residing in those areas which they are now serving.

We are confident that your committee will support the railway unions brief for an appropriate amendment to Section 182 of the Railway Act.

Yours truly,

GEO. DUBETZ,
General Chairman.

I have another letter from the Canadian National System Federation (Western Lines) dated October 22, 1963 addressed to the Chairman of this committee. This letter reads as follows:

Please be advised that an appropriate amendment of Section 182 of the Railway Act as submitted by the Railway Unions has my whole-hearted support.

Yours very truly,

(Signed): "E. M. Olsson"
E. M. Olsson
General Chairman

I have another letter addressed to the Chairman of this committee from Mr. Robinson, Education Representative of Lodge 258 of the Brotherhood of Locomotive Firemen and Enginemen which reads as follows:

Dear Sir:

I am writing on behalf of the membership of my trade union, Lodge 258, Brotherhood of Locomotive Firemen and Enginemen, Kamloops, B.C., to solicit your support in a favourable consideration of the brief presented to your committee by our elected representatives in Ottawa.

We feel an appropriate amendment to Section 182 of the Railway Act would be beneficial to all railway workers in Canada.

Yours truly,

Signed: "H. L. Robinson"
H. L. Robinson,
Education Representative,
Lodge 258, B. of L.F. & E.,
Kamloops, B.C.

Mr. HORNER (*Acadia*): Mr. Chairman, I do not like to interrupt, but are we not at this stage establishing a precedent? If all letters received by the Chairman are to be read at the beginning of this committee's meetings, I suggest we will eventually spend all morning listening to them being read. The Chairman of this committee may well be bombarded by letters of this type. I suggest with the approval of this committee that these letters be made an appendix to the committee's Proceedings and Evidence so that we may read them when they are printed. I suggest that we should perhaps move on with the business of the committee rather than have all these letters read.

The CHAIRMAN: Mr. Horner, I have been waiting for someone to make this suggestion. Would you like to make a motion to that effect?

Mr. HORNER (*Acadia*): Yes, I move that these letters be taken as read and printed as an appendix to the committee's Proceedings and Evidence.

Mr. REGAN: I second that motion, Mr. Chairman.

The CHAIRMAN: Is the committee agreed in this regard?

Some hon. MEMBERS: Agreed.

Motion agreed to.

Mr. CANTELON: Mr. Chairman, I wonder whether it would be advisable at the commencement of meetings in the morning for you to merely mention that certain letters have been received which will be included in the record so that we will be aware of the existence of these letters and be in a position to read those of which are of particular interest.

The CHAIRMAN: Does the committee agree to this suggestion?

Some hon. MEMBERS: Agreed.

Mr. GAUTHIER: Mr. Chairman, I suggest that you should indicate the contents of the letters received.

Mr. MCBAIN: We might just as well listen to the letters being read, in the event we adopt that suggestion.

The CHAIRMAN: Hon. members will note that petitions received have not been referred to by names and cannot be referred to in that way, so if members wish to know which petition is which, I suggest that you refer to them by numbers.

We will now resume our questions in respect of the brief presented at our last meeting by Mr. Hall.

Mr. FISHER: Mr. Chairman, perhaps I may be allowed to ask a question. Have you been in touch with the Minister of Transport regarding his interest in this bill, and do you know whether he plans to come before this committee of his own volition for questioning or should we make a formal request to the minister in this regard?

(*Interpretation in French*)

The CHAIRMAN: I have not received any official requests in this regard; however, I did speak to the minister unofficially and asked him whether he intended to appear before this committee. I told him that there had been a suggestion made that he should appear before this committee at some stage and he indicated that he was very interested in the bill and he would appear at some later date. He informed me that he was very busy working on estimates but that he was interested in this meeting. He did not indicate when he might be in a position to attend.

Mr. FISHER: I should like to move that this committee make a formal request that at the completion of the hearing of witnesses we hear from the Minister of Transport with regard to this matter. I do not think I need go into the reasons for this motion.

The INTERPRETER (*French*)

The CHAIRMAN: Will someone second that motion?

Mr. BEAULÉ: I second that motion.

The CHAIRMAN: You have all heard the motion. All those in favour indicate in the usual way. All those against please raise their hands.

Motion agreed to.

The CHAIRMAN: We will now resume our questions.

Mr. BEAULÉ (*French*)

The CHAIRMAN: I think we should now hear the interpretation.

The INTERPRETER: Mr. Chairman, I was waiting until the question was completed.

The CHAIRMAN: Mr. Beaulé has not completed his question as yet but I think his question is quite long and should perhaps be interpreted at this point.

Mr. BEAULÉ (*French*)

The CHAIRMAN (*French*)

Mr. BEAULÉ (*French*)

The CHAIRMAN (*French*)

Mr. BEAULÉ (*French*)

(Interpretation of the above follows)

(*Interpretation*): I think I had better interpret at this point. Mr. Beaulé began by referring to the first meeting at which a brief was presented by Mr. Hall and a subsequent brief presented by Mr. Richardson in which reference was made to the possible consequences of the subject matter before the committee. A request was made by Mr. Beaulé that the matter should be clarified by supplying the committee with the possible figures in respect of people who would be laid off and the amount of actual cost involved if the requests of the unions were to be granded. Mr. Beaulé emphasized that this bill is not a retroactive bill, but a bill dealing with future contingencies and, therefore, he insists that if the committee is to make any progress it should know the number of railway employees likely to be laid off in the next ten years and the amount of money involved.

If only a few hundred employees are to be laid off, then obviously the committee can get on with its work much faster, but if it is going to be a very large number and the cost involved very large in terms of dollars then our hearings will be protracted.

He then went on to point out that in Mr. Richardson's brief there was mention of the fact that the increased profits of the railways have been invested toward the increase in salaries. On the other hand Mr. Beaulé recalls

that the C.N.R. not long ago came to parliament seeking leave to increase freight rates in areas where there is no competition so that it might pay higher salaries. Mr. Beaulé sees in this a contradiction.

At this point the Chairman interrupted Mr. Beaulé and pointed out that he was referring to three different points, and that it would be desirable to see if the witness could answer them one by one. At this point the interpretation was given.

Mr. BEAULÉ (*French*)

(*Interpretation*): I omitted to say that Mr. Beaulé had also asked what percentage of employees would be affected and in which regions they would be affected.

The CHAIRMAN: Do you have the first question clear, Mr. Gibbons?

Mr. A. R. GIBBONS (*Secretary, National Legislative Committee*): I think we understand the question, Mr. Chairman. We agree entirely with Mr. Beaulé's remarks. I think our answer in this regard will in part answer Mr. Horner's question and Mr. Orkilow's concern as expressed at a prior meeting.

We have not and cannot obtain statistics as to what has happened. We have examples which we are prepared to read to you today concerning what happened. But we are more concerned with the future and what the future holds. In this regard our chief concern is the abandonment of the branch lines proposed by the railways. However we are unable to make an assessment, because the railways have not as yet given sufficient information to the government on what their proposals are. I have a map here of the province of Saskatchewan. Because of their concern about branch line abandonment, they have asked the two major railways to furnish them information relevant to their proposals of branch line abandonment; that is, concerning the lines which they propose to abandon. The Canadian National Railways have now furnished information which would indicate the mileage involved, and it is 1,209 miles in the province of Saskatchewan alone. But the Canadian Pacific Railway has yet to furnish the Saskatchewan government with any information in this regard.

We had a meeting with the Minister of Transport, Hon. Mr. McIlraith, when he advised us that abandonments were, at the request of the government, not being processed. But in order that they might make an assessment of all the social and economic implications surrounding the matter, he had requested that the Canadian National and the Canadian Pacific furnish the government with information on what their contemplated plans were with regard to abandonment.

Again, the minister advised us that the Canadian National was co-operating by filing with the board of transport commissioners proposals for abandonment applications, but they were not being processed. But to date the Canadian Pacific said that they were unable to do so beiause their plans changed from day to day. So you can see there is no method by which we could project any figure, and it would only be an assumption of what was going to happen if we did so. The only source of this information would be when the railways give full information as to what their plans are.

(*Interpretation in French*)

Now, in answer to the second question, Mr. Beaulé stated that in his opinion there was contradiction between the statement that we made, that employees had not displaced employees, had not been given any consideration regarding the savings that had been realized by the railways in the implementation, or by the technological innovations, and other operating costs. That is a

difficult question to answer and I would suggest by way of an answer that if we, as railway employees, are performing services—those of us who are still in the service—surely we should not be asked to subsidize those who are out of the service by taking less than what we are worth by performing the service we are doing.

I do not see any relationship between the wages of railway workers today, because they are negotiated and ultimately agreed upon between management and railway unions. I do not see where they bear any relationship, because there is an implication that we should take less to spread out the work. Since time immemorial the railways have said that one of the main reasons for technological innovation was wage pressure. We do not apologize for this, because taking labour as a whole, if there was not any wage pressure we would not enjoy the standard of living that we have in Canada today. I believe the problem is the concern apart from the actual wage structure, of the employees presently working.

(*Interpretation in French*)

The CHAIRMAN: Mr. Beaulé.

Mr. BEAULÉ: I have two more questions.

(*Interpretation*): The second question is that Mr. Beaulé observed that we have heard members of the union representing the operating trade. He would like to know whether the shop trades are going to be represented, and if this bill is passed, whether they will be covered by it. And supposing the bill is passed by parliament, will the unions co-operate with the companies to set up a reserve fund with which to compensate employees who are laid off?

Mr. GIBBONS: At the outset, Mr. Chairman, we were called to report to the committee that the delegation appearing on behalf of the union was representative of all the unions in Canada. I do not think the other question begs an answer. Pardon me, it naturally follows, Mr. Beaulé, that any benefits to be derived from an amendment would be applicable to all employees, whether in the non-operating or in the operating groups. I do not think that the third question begs an answer because I would not be in a position to answer at this time, whether we would be prepared to negotiate it, because what we are contemplating here is legislation, and I do not see how we could answer the other question, which would have to be negotiated, to stay apart and aside ourselves.

Mr. BEAULÉ (*Interpretation*): I had proposed that we should bring before the committee representatives of the companies and ask them what sectors are going to be affected in the next few years by this policy of abandonment of railway lines, then we would know what the committee is actually dealing with.

The CHAIRMAN: Are you making a motion?

Mr. BEAULÉ: Yes.

The CHAIRMAN: Have you a seconder.

Mr. WATSON (*Châteauguay*): I object to this. I think we should continue to question the men we have here from the operating trades. I do not see any sense in not continuing to question them.

Mr. FISHER: It seems to me that it is not the time for motions. The railways are in fact before the committee through the railway association, and we still have the opportunity to deal with them. So it seems to me that a motion is unnecessary at this time. I would assume that our objective is to clear up questioning relevant to the brief and the discussion which followed presented by all the railway unions in Canada. Then we would naturally move on to decide the motion, or ask Mr. Beaulé to withdraw it. But in a sense it is not denying the intent of what he is trying to do.

Mr. BEAULÉ (*Interpretation*): Mr. Beaulé says that he will look at what Mr. Richardson has put in his brief, and if he is not satisfied with what is there, he will return to the matter again.

The CHAIRMAN: That means that the motion is withdrawn by the mover and the seconder.

Mr. RIDEOUT: I have more or less of an observation to make based on Mr. Fisher's remarks. It has been accepted by the committee that the minister is to come before the committee. I feel as we go along piling up questions we should first give the minister an opportunity to study these matters and these questions. I feel at this time we should ask the minister what the situation will be in so far as the implications of the MacPherson report are concerned. The government indicated just recently, as a matter of fact, that they were going into this legislation. This type of legislation will certainly have a big impact on the abandonment of various phases of railway operation across the whole country, and I think it would be a very good basis along the lines of what Mr. Beaulé has asked as a sort of example of what might lie in the future. I think it is very difficult for management of a company to be able to prognosticate what the situation will be 10 years from now.

We have gone into red, white and blue days in the Atlantic region, and as a result traffic has gone up 250 per cent as a matter of fact. With this thing I think there may be various changes. The implementation of the MacPherson report will have a serious effect on all trades. Do you people not agree? I think it would be a good example. That is one item we should mark down. The minister should be given some advance notice of what type of questions we want to ask him. If he does not have a chance to compile this information, it would be sort of useless.

The CHAIRMAN: You have made your point. There will be some further discussion.

(At this point there was translation into French)

Mr. RIDEOUT: May I amplify that a bit further?

The CHAIRMAN: You have made your point.

Mr. RIDEOUT: No, I have not finished it.

The CHAIRMAN: I believe you have to have an interpretation.

Mr. RIDEOUT: I want to give one more example which should be recorded. Some of the western boys know about it. I know that the heads of the operators and the telegraphers know that it is going on; unfortunately it is going on in my constituency, and I refer to the closing up of stations, and also at Edmunston. This is a test that the minister and the railways must be close to. He should be able to tell us how much saving will be involved and how many people will be displaced with the closing of the stations and the implementation. I suggest that when the minister comes, we should have some concrete questions for him.

(*Interpretation in French*)

Mr. BALCER: I wonder if the committee cannot be accused of lack of courtesy because we have not invited the minister. I know that when I was minister and my predecessor—we never missed a sitting of the committee on railways, canals and telegraph lines. I think it would have been very important for the minister to listen to the testimony to the unions.

Mr. FISHER: I would like to follow this up. I have followed the history of this committee and of similar ones going back many years, and this is the first time I can remember when the minister or his parliamentary secretary or the deputy minister has not been available for comment. It is the usual practice of this committee that the minister or his assistant sits right up there by

you, Mr. Chairman, when there is a piece of legislation before the committee which relates to his department. Therefore the suggestion that somehow we should prepare the minister seems to me to be irrelevant. The minister has the responsibility. We are a microcosm of the House of Commons. He is a member also, and a member of the cabinet, and he has a responsibility to be here or to have a delegate here.

Mr. WATSON (*Châteauguay-Huntingdon-Laprairie*): All I can say is that he has not missed very much in the last three meetings we have had.

Mr. ORLIKOW: I think the question whether the minister himself should be here or his deputy is important, but surely we are here now to finish the questioning of the railway unions, and surely we could save all these points for a time when we do not have a dozen or more people awaiting the pleasure of this committee.

The CHAIRMAN: Your observation on a point of order is well founded, Mr. Orlikow, and I have tried to be fair to everybody. I think we should return to the questioning.

Mr. ROCK: Mr. Fisher made certain statements which are part of the record, yet while he was speaking Mr. Cantin, parliamentary secretary to the minister, came in, and he has been here for the last three meetings. Therefore I think this should be stated for the records.

Mr. RIDEOUT: The parliamentary secretary has been here on every occasion.

(*Interpretation in French*)

Mr. HORNER (*Acadia*): I have been pressing for the percentage of the number of workers to which Bill C-15 would apply. I realize this morning from the answer given by Mr. Gibbons that it is very difficult for them to supply it, particularly when you consider the line abandonment which the railways have proposed. It has been rumoured in western Canada that delivery points will be reduced from over 1,025 to 92. This will give you some idea of the thinking of the railways in this regard just in one province. I would like first of all to suggest, if it is agreeable to the committee, that Mr. Gibbons' map of the province of Saskatchewan suggesting abandonment in that province be made an appendix to the committee proceedings in order to give the committee some idea of the scope and application of Bill C-15. Is that agreeable to the committee?

(*Interpretation in French*)

The CHAIRMAN: Does the committee agree to this suggestion made by Mr. Horner?

Mr. BALCER: I second the motion.

The CHAIRMAN: I declare the motion carried.

Mr. HORNER (*Acadia*): I wonder if the unions and Mr. Gibbons could give us some idea of what is meant in their brief by retraining? I asked at the last meeting what they meant by long service employees, and how severance pay would apply, when seven to ten years was suggested by them. I wonder if we might have some idea of the amount of the cost that would be asked for in Bill C-15 of each applicant for retraining processed? Have they any figure in mind, or can they give us some idea?

The CHAIRMAN: Mr. Gibbons.

Mr. GIBBONS: Mr. Chairman, we have no specific idea. I do not think we mentioned this in our original brief, unless my memory serves me wrong. I think perhaps reference was made to it where it had been a negotiated matter between the non-operating unions and the railway companies. Mr. Fisher's bill C-15 does mention retraining, but we have not mentioned it specifically.

At the present time we would have no idea, because until we could get the picture of what is going to happen, we would have no way to know what lines would expand and what retraining would be required. Until we have full disclosure by the railways of what future technological changes they have in mind, in implementation, it would be almost impossible to give you even an educated guess in this regard.

(*Interpretation in French*)

Mr. WATSON (*Châteauguay*): I just want to ask whether or not Mr. Gibbons thinks it possible that he will be able, or that the operating unions in the next few months will be able to work out with the railways arrangements whereby they can get this type of information. We were told last week that they could not get the information about the number of men to be affected, and now he has said that he cannot get any information about the changes that are coming. Do you think it would be possible to work out some method of having a better liaison, a better system of obtaining the figures? Is this going to be possible, do you think?

Mr. GIBBONS: The answer based on past experience is no. Even the Minister of Transport cannot get full disclosures from the railways, so I do not see how we can. The Canadian National has co-operated with the minister and the various people concerned in the provinces, but there has been no attempt made at full disclosure. I think I must say that everything points to a negative answer. For example, we ran into the application of the I.R.D.A. Act. We do not know what the railway contemplates immediately after they sign a contract, because a week or so later they will advise us that they will make changes which will affect our operating unions. They say that they will consult with us, but we are left free to be told what the applications will be, how they work, and some of the details of the changes. So without true consultation and without collective bargaining taking place on a major change in operation, I am afraid that the answer is in the negative.

(*Interpretation in French*)

Mr. WATSON (*Châteauguay*): Mr. Chairman, I should like to ask one further question. Mr. Gibbons, do you feel that for a proper and full discussion of this particular bill we should have the figures which Mr. Horner and myself have been discussing?

INTERPRETER (*French*)

Mr. GIBBONS: Mr. Chairman, I wholeheartedly agree with that statement and I wish the committee every success in its application to the railway representatives in this regard.

INTERPRETATION (*French*)

Mr. FISHER: Mr. Chairman, I should like to ask a supplementary question. I am somewhat concerned by the question that Mr. Gibbons has answered because I have an interest in this bill and have followed it throughout.

I wonder whether Mr. Gibbons would comment in this vein? Basically the subject matter of this bill is designed to implement, under the Board of Transport Commissioners, that protection for railway workers which it seems to me you assume is implicit in the Act, but which has been circumvented by legal or illegal misinterpretations. In fact, is it not true that if this subject matter was implemented it would still be the responsibility of the board of transport commissioners to make decisions and awards on an ad hoc basis in the courts of the countries as cases arise? Therefore, to suggest that the passing of this bill would require a thorough and complete study of the picture so as to be aware of what will occur within the next decade would, in effect really be assuming too much?

INTERPRETATION (*French*)

Mr. GIBBONS: Mr. Chairman, the answer to Mr. Fisher is yes. Certainly I did not intend to imply that we were agreeable to waiting until there was absolute full disclosure, because members of the committee have been asking why we have not been getting full disclosure. I said that we could not get full disclosure. I do not see that this has any effect on the implementation or enactment of an amendment.

As you have suggested, the board of transport commissioners would have to consider each application on its merits, as has been the practice in the past.

In addition, I think we must point out in respect of the legislation that there need not be a fear that the broad terminology of the legislation—this fact has been expressed before—would give everyone an opportunity to take advantage of the report from the railway companies, because obviously the board would have to make the final determination whether or not, for example, there was a loss in real estate value. I can see a difference between situations in respect of people moving from one city to another and people moving from one urban centre to another urban centre. If one considers the prairies where this wholesale abandonment is contemplated then the picture would be quite different.

One cannot write legislation that will be all-inclusive. The legislation should be all-inclusive but it would still leave the responsibility of judging each particular application on its merits with the Board of Transport Commissioners.

INTERPRETATION (*French*)

Mr. REGAN: Mr. Chairman, as did Mr. Gibbons and Mr. Fisher, I should like to make a statement rather than ask a question.

Mr. Gibbons, in relation to what has been asked and answered by yourself, surely you would agree that notwithstanding the fact that the commissioners will have an opportunity to decide the actual amounts to be expended in any individual case, and despite the fact this is an ad hoc approach in each individual case, this committee must be concerned with the total amount of money that can be expended by the commissioners as a result of this type of legislation. I think, therefore, that you would agree that the question of the extent of possible expenditures as a result of this type of legislation is of very definite concern to this committee and to parliament.

INTERPRETATION (*French*)

Mr. GIBBONS: Mr. Chairman, certainly we can appreciate the concern of the members of this committee in this regard. We should like to think that there is a principle involved here which has priority of consideration over costs. As I have already stated, I do not see how we can possibly arrive at a cost because in the final analysis the board in each particular case will have to examine the facts and make a decision or determination on the merits of each particular case. I do not see any way of projecting, with any reasonable degree of accuracy, what the cost will be.

Years ago when legislation was enacted, such as in 1913 when compensation provisions were made; in 1919 when this was carried to a different section; and, in 1933 when the C.N.-C.P. Act enacted specific provisions for the settlement of differences arising out of the railways action, in each case there was an attempt to bring about more economic operation, not solely at the expense of the railway employees. They did not intend to look into situations in order to ascertain the disregard for employees as a result of measures adopted in search of efficiency.

We feel that the same principle should apply today. Although the learned chief justice of the supreme court agreed that in principle section 182 contained provisions for compensation, he stated it was not legally applicable, and it did not come within his legal jurisprudence to say we were entitled to these provisions legally although they were there in principle. All we are now asking is that effect be given to the legal application of that which everyone through the years has agreed is in principle inherent in the present section.

INTERPRETATION (*French*)

Mr. REGAN: Mr. Chairman, I should like to ask a supplementary question in relation to limitations in respect of applications as a result of this type of legislation.

Mr. Gibbons, do you feel that certain limitations could be written into the legislation perhaps in respect of the size of a community to which they would apply? You agree that this provision would not be applicable in cities, but perhaps there could be a population limitation placed upon applications received from specific areas? I point this out as an example of the type of limitation that could be placed on the provisions of this bill so that parliament would then be in a position of knowing that the amount of money which might be expended under the provisions of this bill would not be as large as might otherwise have been the case.

INTERPRETATION (*French*)

Mr. GIBBONS: Mr. Chairman, we have already indicated in our brief as one of the reasons we are opposed to the recommendations of the MacPherson Royal Commission report the statement or suggestion that the C.N.-C.P. Act should be repealed. In our brief we have voiced the thought that this act should be retained because it provides the only criterion upon which Board of Transport Commissioners could assess the cost and benefits to be derived by railway employees who suffer loss of employment through severance pay. The cost of compensating railways employees in respect of loss resulting from the sale of homes because of a move was left open.

Mr. Chairman, with your permission I should like to read a memorandum of agreement and basis of settlement between the brotherhood of railroad trainmen and the Pacific Great Eastern Railway Company with respect to reimbursing a trainman who may be required to move from Squamish as a result of the elimination of Squamish as a terminal for crews in pool freight and unassigned service which took place on October 20, 1957.

The CHAIRMAN: Gentlemen, do you wish to hear this memorandum read?

Some hon. MEMBERS: Agreed.

Mr. BALCER: Mr. Chairman, I should like to raise a point of order. I am not sure this is the appropriate time to mention this subject, but I think our present system of translation is not effective. As a result of the delay in translation all our interest is killed. I think we are being unfair to the witnesses because there is not a continuity of questions and answers.

This is one of the older committees of this House of Commons and I think we should make great efforts to get permission to use one of the caucus rooms equipped with facilities for simultaneous translation.

The two interpreters we have with us today have to work with us under circumstances which are not favourable. This places an unfair burden upon them as well as upon the witnesses and members of this committee. Surely we can get permission to use one of those rooms. Perhaps we should recommend to the government that this room be equipped with facilities for simultaneous translation. Much of the interest on the part of members and witnesses is lost during translation as is presently being carried out.

INTERPRETATION (*French*)

The CHAIRMAN: Mr. Balcer, in answer to your suggestion I should like to point out that we have sent a note by messenger in an effort to get permission to use one of those rooms this afternoon, and we are now awaiting an answer.

Mr. BALCER: I understand the Conservative caucus room is equipped for simultaneous translation. Is that the room in respect of which you have been trying to get permission?

The CHAIRMAN: Our efforts have been directed toward the use of room 307 in the west block.

Mr. BALCER: I had reference to room 371 of the west block which is at the present time equipped for simultaneous translation.

The CHAIRMAN: I understand your criticism and agree with your suggestion, but for the time being, and until we have permission to use one of those rooms, we must carry on as we have been this morning, in compliance with a previous motion to have interpreters present at all times. I assure you that I will do my best to get permission to use either room 371 or 308 of the west block this afternoon. When I receive an answer to my request I will pass it on to you immediately.

I have been informed that unfortunately on Tuesday morning, both of those rooms are occupied by the defence and food and drug committees. However, I will do my best to make one of these rooms available for future meetings of this committee. If this is impossible perhaps we can carry on with the suggested system using portable transistor equipment.

Mr. ORLIKOW: In this regard, Mr. Chairman, I should like to point out that as a member of the food and drug committee I have attended its meetings and can say that they do not use the simultaneous translation facilities at all. Perhaps if that committee does not insist upon the use of this system we could change rooms.

The CHAIRMAN: I certainly shall look into this situation, Mr. Orlikow.

A question has been raised as to the necessity of translating this document which Mr. Gibbons has requested permission to read. Is it the wish of this committee that this document be translated?

Mr. BEAULÉ: Is this a long document?

Mr. GIBBONS: The document consists of three pages.

Mr. BEAULÉ: Mr. Chairman, perhaps Mr. Gibbons could read the document and then we will have the opportunity of perusing it when it appears in the printed report.

Mr. GIBBONS: Thank you, Mr. Chairman. I must say at the outset that I originally said this was an agreement between the trainmen and the Pacific Great Eastern Railway Company but it was applicable to all railway employees employed at the terminal of Squamish. The memorandum reads as follows:

> Effective 24:01, Sunday, October 20, 1957, the Squamish Subdivision was extended through to North Vancouver, which made it necessary to eliminate Squamish as a terminal for crews in pool freight and unassigned service.
>
> Terminals for crews in pool freight and unassigned service on the Squamish Subdivision will be North Vancouver and Lillooet.

In other words the railway was extended some 30 miles from Squamish into North Vancouver with the terminal at the other end, at Lillooet.

It continues as follows:

> Squamish will continue to be a terminal for such crews as may from time to time be assigned to work out of there.

Some of the employees presently domiciled at Squamish may decide as a result of the elmination of Squamish as a terminal for crews in pool freight and unassigned service, to change their place of residence from Squamish to one of the other terminals.

The British Columbia Railway Act, under which the Pacific Great Eastern Railway Company operates, does not contain any provision for reimbursing railway employees who might be required to move in such circumstances, but the Canadian Railway Act, although it does not apply to the Pacific Great Eastern Railway Company, does contain the only guide which the Committee could find for reimbursing railway employees for financial loss entailed in such a move. This is found in Sections 181 and 182 of the Canadian Railway Act, which reads in part as follows:—

We are all familiar with the contents of those sections.

The memorandum then continues as follows:

It will be observed that the Act contemplates only the complete abandonment of any station or divisional point.

In this case, no abandonment of any station or divisional point is contemplated by the Pacific Great Eastern Railway Company.

At the time of the change in operation there were two freight crews operating out of North Vancouver with home terminal at North Vancouver and seven freight crews operating out of Squamish with home terminal at Squamish. Since the change in operation, there are four freight crews operating out of North Vancouver and no freight crews operating out of Squamish.

However, this Committee feels that as a result of the change in operation there could be some loss of security to the employees insofar as maintaining permanent residence at Squamish is concerned and in view of this fact the Committee recommends the following:

To recompense for financial loss, an employee domiciled at Squamish who should decide to change his place of residence from Squamish to one of the other terminals because of the elimination of Squamish as a home terminal for crews in pool freight and unassigned service, the Company will, for an eligible employee:

1. Pay $500.00 cash to cover cost of the move for either a home owner or renter and the employee may make the move by any means of transport he desires.
2. In the case of a home owner, the Company on request, will purchase the employee's home at Squamish at a price set by the Universal Appraisal Company Limited at the Company's expense. Should the employee wish to appeal from the price set by the Universal Appraisal Company Limited, the Housing Committee will appoint another qualified appraiser at the employee's expense and the purchase price will be the average of the two.
3. It has been stressed by the Union that an employee may decide to purchase a home at his new place of residence and may find difficulty in the financing. The Committee recommends, in such a case, that on request, the Company will make a loan direct to the employee at 5 per cent. interest to be repaid by monthly payroll deduction over any agreed period of time, not to exceed ten years. This will not prohibit an employee from, at any time, increasing the monthly deduction or retiring all or part of the loan.

(*a*) The Company not to lend on the basis of a first mortgage for the reason that a first mortgage can always be obtained elsewhere and the Company is not primarily in the money lending business.
(*b*) The amount of the loan not to exceed one-eighth of the amount of the first mortgage.
(*c*) The amount of the loan not to exceed $2,000.
(*d*) The amount of the loan not to exceed the employee's equity.
(*e*) The loan to be secured by a second mortgage.
(*f*) The amount of the loan to be secured against death by insurance in the Great West Life Assurance Company with the Railway Company as beneficiary.
(*g*) The National Housing Act requires that monthly payments covering interest and principal on first mortgage and taxes do not exceed 23 per cent of the buyer's monthly earnings. It is recommended that the second mortgage contemplated above does not increase the employee's monthly payment for mortgage interest, principal and taxes by more than 7 per cent which would limit his commitment for these payments to 30 per cent of his monthly earnings."

The last page of this memorandum contains statistics as to how mortgages will be arranged and scaled. Thank you, Mr. Chairman.

The CHAIRMAN (*French*)

INTERPRETATION: Mr. Beaulé, it is understood you will have the translation of this document in the following volume of the Proceedings and Evidence of this committee.

Mr. BEAULÉ: That will be satisfactory so long as we get that volume during this session.

Mr. HORNER (*Acadia*): Mr. Chairman, I have one or two questions I should like to ask Mr. Gibbons.

First of all I should like to state that I agree with the principle contained in this bill.

We are being asked to study bill C-15 in an effort to ascertain whether the principle therein contained is now also contained in section 182 of the Railway Act, and I firmly believe that it is contained in that section.

I think this committee must now attempt to find some way of making section 182 of the Railways Act workable in a practical sense. In this regard I have attempted to pin down bill C-15 as to whom it actually applies. I have previously been confronted with this problem, and have always been informed by railway management that when an individual signs up to work for a railroad he automatically accepts the condition that he will be moved from place to place from time to time. This is the information I have invariably received from railway management.

INTERPRETATION (*French*)

Mr. GIBBONS: Mr. Chairman, in answer to the question I must state that in respect of the running trades, which are the most affected in this regard, a man who hires on initially as a fireman or trainman and eventually is promoted to a conductor actually realizes and accepts the fact that he will have to move from one established terminal to another within the seniority district as a result of the business being conducted by the railway at any particular time, and according to the mileage regulations which are used to distribute the work among the men. These individuals accept that fact. The question to be answered at this stage is, how long will this situation exist?

Perhaps I should outline my own experiences in this regard as an example of a situation which can be multiplied many times over in respect of the running trade generally.

I commenced railroading in 1936. I did not accumulate one year seniority until 1942, but I continued to return to the employment of the railroad in order to maintain my position. This situation can be multiplied in respect of the running trade across the country. Much of this resulted from situations which existed during the depression years.

From 1942 to 1946 as an engineer I ran out of one terminal. Following that, under the compulsory promotion plan which is not universal, I worked out of seven different terminals on the one railway. Following that period my seniority started all over again. I take no exception to this situation whatsoever because it involves working conditions which we must accept.

However, when the company decides to abandon a terminal, the employees as a result of moving lose equity in their homes. They are very often reluctant to purchase new homes in those areas to which they have been moved because they have no assurance as to the continued use of that terminal.

Men today with 35 years seniority as enginemen are in many instances unable to hold work at their own terminals as a result of the present system.

As I indicated before, and I believe this will be found in the record, an individual has two alternatives to remaining in a terminal at which he cannot hold a job. He may take a cut in pay and revert from an engineman to a fireman for a limited period of time, or move from that terminal and in substance subject himself to the cost of maintaining two homes without obtaining the benefits-of either.

Mr. HORNER (*Acadia*): Mr. Chairman, I should like to ask one further question but I intended to wait for the translation.

Mr. BEAULÉ (*French*)

INTERPRETATION (*French*)

Mr. HORNER (*Acadia*): In effect, Mr. Gibbons, the provisions of bill C-15 would only apply when a divsional point or railroad agency was completely abandoned by the railway company, is that correct?

INTERPRETATION (*French*)

Mr. GIBBONS: Mr. Chairman, I think at page 14 of our original brief we set out the suggested amendment which we have in mind. Perhaps I could read this recommendation which is as follows:

> The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with; and where any such change, alteration or deviation that would involve the removal of employees or the loss of employment on the railway by an employee either directly or through the exercise of seniority is made, the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence or loss of employment necessitated thereby.

I think the only way I can answer Mr. Horner would be to say that each case would have to be dealt with by the board deciding whether or not the railway was actually responsible for the move or that the move was necessitated by reason of the seniority system, or by the system of distributing work.

Mr. HORNER (*Acadia*): I was wrong in assuming that Bill C-15 would apply only where a divisional, terminal point or agency was completely abandoned, is that correct? Bill C-15 will apply wherever there is any alteration or deviation, is that correct?

Mr. BEAULÉ (*French*)

INTERPRETATION: At the beginning of this meeting I asked a question which seems to have been asked since by every member of this committee. That is, we all suggest that the figures mentioned must absolutely be in our possession so that we can understand the situation.

Mr. FISHER: Nuts!

INTERPRETATION: Mrs. Chairman, we have been informed that Mr. Richardson would be here at this meeting so that we could ask him further questions. I do not know whether or not Mr. Richardson is here this morning. If he is present I think we should ask him whether he is in a position to tell us how many employees will be affected by the passage of this bill and the amount of money which will be involved. If Mr. Richardson cannot give us this information I should like to revive my motion that we request the attendence of representatives of the railway companies and perhaps the board of Transport Commissioners so that we are in a position to gain full information in this regard.

The CHAIRMAN: Mr. Beaulé I should first like to state that you were out of order at the commencement of your remarks. In an attempt to be fair I allowed you to continue.

Secondly I must state that we have agreed that we will complete our questions of the present witnesses and then move on and call further witnesses.

Mr. BEAULÉ (*French*)

INTERPRETATION: On this same point of order, Mr. Chairman, I should like to repeat that we have all been asking the same question but have not been receiving satisfactory answers.

Mr. FISHER: I disagree.

INTERPRETATION: I agree that we should not have further representatives before this committee while we are asking the same question over and over again, but we will not make any progress at all if we are not in a position to call other witnesses in order to obtain the information required.

The CHAIRMAN: You are still out of order.

At a future date when we have other witnesses before us we will attempt to get this information from those witnesses, but at this time we are questioning these representatives from the unions, and I think we should confine ourselves to asking questions of these individuals.

Mr. MCNULTY: Mr. Chairman, in view of the many difficulties the unions have been facing in regard to section 182, I was wondering whether Mr. Gibbons could tell us if the unions have ever requested that this section be lifted from the act so that the difficulty would then become subject to direct negotiation of contract. Would this be beneficial?

INTERPRETATION: (*French*)

Mr. GIBBONS: Mr. Chairman, in answer to the honorable member's question I should like to refer him to the minutes of Proceedings and Evidence, number 3, at page 93 where there is included an addendum which sets forth in some detail our attempt to negotiate this matter.

In answer to the specific question whether we have considered removing this section altogether, I should like to state that we would like to have the section amended giving legal application to the principle contained therein.

The CHAIRMAN: It is not usual to send the clerk of this committee out of the room while our meeting is in progress, but with your permission I would like to ask the clerk to make some arrangement for the use of room 301 in the west block this afternoon. We have already sent the messenger with such

a request but it has been some time since he left and we have received no reply. With your permission I shall ask the clerk to make some inquiries in this regard.

INTERPRETATION (*French*)

The CHAIRMAN: Gentlemen, I have received an answer to our request. I am pleased to state that we are able to use room 308 of the west block this afternoon. I will ask the interpreter to interpret this reply, which is in French, so that you will understand the full situation.

INTERPRETATION: Room 308 is reserved for this afternoon at 2.30 p.m. It will undoubtedly be necessary to send out a new summons to the members of the committee who are not present this morning. Would you please inform me and I will give the necessary instructions to Mr. Gauvreau.

The CHAIRMAN: Is this agreeable to members of the committee?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Mr. Balcer I hope you are satisfied with the speed at which we have satisfied your request.

Mr. BALCER: I extend my congratulations to you, Mr. Chairman.

Mr. FISHER: Mr. Gibbons, some of my remarks may be repetitious, but is it a fact that all changes which take place in the railways are as the result of the initiative of management?

Mr. GIBBONS: Yes.

Mr. FISHER: Do you know or can you assure us that the reasons extended to you by management in respect of the majority of changes have been in terms of economy savings and efficiency? Are those the general reasons given to you in this regard?

Mr. GIBBONS: That is right.

Mr. FISHER: Do you believe that as a result of the adoption of the principles contained in this bill the railway companies will have to consider another factor when they are contemplating changes?

Mr. GIBBONS: Yes.

Mr. FISHER: Do you feel that such a contemplation would cause the railway companies to study much more closely the economic implications of such changes as a result of the adoption of this bill?

Mr. GIBBONS: Yes, that is possible.

Mr. FISHER: Do you feel that by putting teeth into this section of the Railway Act there is a likelihood that changes will be slower or delayed?

Mr. GIBBONS: I think the adoption of this bill would result in a more orderly system of change.

Mr. FISHER: Do you feel that the introduction of these changes contemplated will have any effect upon the morale of your union members in relation to their attitude toward management?

Mr. GIBBONS: In answer to your question I woud have to say yes. Of course, we presume that the morale is very low at the present time. I would expect that there would certainly be an improvement in the morale of the employees.

INTERPRETATION (*French*)

Mr. FISHER: Do you feel it is possible that the implementation of this intent would have consequences in terms of the kind of negotiations you carry on during contract periods with the railway companies?

INTERPRETATION (*French*)

The CHAIRMAN: Did you catch the question, Mr. Gibbons?

Mr. GIBBONS: I am sorry I did not catch the gist of the question.

Mr. FISHER: Do you feel that the implementation of the intent of this subject matter would have consequences in terms of negotiations such as you enter into at contract time with management, and I am thinking both in terms of your attitude and management attitude?

Mr. GIBBONS: Well, I cannot speak for managements' attitude. I do not get the intent of your question.

Mr. FISHER: Well, I will lead you a little bit. Do you think it may be possible that the implementation of this would cause the railways to come to you with a new approach in negotiating the kind of things they attempted last year with the non-ops in connection with their severance pay.

Mr. GIBBONS: I would hope so.

Mr. FISHER: I wanted to ask you about the effect this change may have upon communities which, by and large, depend upon the railways for their support. How do you think the implementation of this bill might effect—and I will give you a number of samples—communities such as Hornepayne or Melville, or other places such as that.

Mr. GIBBONS: Mr. Chairman, in connection with the announced intentions of the railway in regard to abandonment, we have had correspondence with the Prime Minister, the Minister of Labour, the Minister of Transport and all members in the house with regard to our concern in respect of the lack of planning in respect of this and this would also include the special question you asked that no assessment of all the social and economic implementations surrounding such plans have ever been made and, shall we say, we are fearful that the cost to Canada as a whole is going to be far greater than the separate subsidy as it obtained to uneconomical branch lines. If there was legislation designed to ease the burden I think it would be brought about in a more orderly fashion and, therefore, it would have a very distinct effect on these communities.

If I may, I think the best way to put this before you would be to read a letter we have which gives some study to this situation—and it would partly answer Mr. Orlikow's question of last week, when he asked if we have any figures as to what is happening under the present system. I think the obvious conclusions, after hearing this, would be that there would be an improvement in these communities. Could I read this letter.

Mr. FISHER: I would like to have him read it.

The CHAIRMAN: Is it agreed?

Some hon. MEMBERS: Agreed.

Mr. GIBBONS: Mr. Chairman, this is a result of a letter we sent out asking our people in the town of Mirror to furnish us with statistics as to what would happen.

Mirror, Alberta.
October 17, 1963.

Mr. J. R. Hastie,
General Chairman B. of L. F. & E.,
Winnipeg, Manitoba.

Dear Sir and Brother;

In reply to your telephone request for information on the situation in Mirror since the C.N. railway's run thru demands in 1960.

To give you a picture of the changes I will list the number of C.N. employees for the years 1956-1960-1963.

	1956	1960	1963
Shop	33	3	2
Car Repair	16	0	0
Station	7	6	4
M. of Way	8	7	6
Enginemen	25	16	11
Trainmen	30	20	14
Total	119	52	37

As you can see there is a reduction of 15 men from the total in 1960 with the bulk of this number coming from the train and engine group. This reduction can be attributed about 50 per cent to running Edmonton crews through Mirror to Red Deer and the other 50 per cent to a general reduction in way freight service.

I think one of the big evils of this type of thing can be shown from what has taken place with the shop employees. Ten men, other than foremen, have moved to other places to work for the C.N. Seven of these men moved with their seniority, the other three took jobs as new employees. These men have no hope of ever returning to work at Mirror but only one of them has moved his residence from here. These men are not spending most of their lives away from their homes and families because they want to. They are away because they cannot do anything else. To sell their houses here at a small figure and to buy where they are working at a large figure, with no assurance of work in the future, is beyond the scope of a working man.

There is little change from 1960 in the number of cut-off shop and car repair men. Most of these men are still here making a poor living at poorly paid jobs on a day to day basis. The fact that these men owned a home here did not make them more secure, in fact it had the opposite effect. I am quite sure that if enough money could be realized from the sale of their homes to allow them establishment elsewhere, these people would be leading a better life.

The station staff was reduced by cutting off a day operator and the cashier-car checker. The operator did not own his home here so he was able to move to another location without too much being involved. The cashier closed up his house here and moved to Calgary. He worked in the freight sheds there for several months but he found that after paying rent on the house he had chosen there was not enough money left to buy food and clothing. This summer he threw in 27 years service and got out his pension money to buy a small business here in Mirror. Here again the ownership of home in Mirror dictated the policy that was followed.

The enginemen that left were all in the non owner bracket. With the exception of one, who was pensioned, they all moved to a better job. The eleven enginemen remaining here are all home owners but one.

Four trainmen have left here since 1960 that owned homes and I will give you the details as closely as I know them on these transactions.

Number one sold his house here by borrowing as much money on it as he could get from a finance company. He then sold it by getting the purchaser to take over the payments on the loan. By this method he was able to get about 60 per cent value from the house, however, he runs the risk of making the loan payments himself or losing everything if the buyer should fail in his payments.

Number two sold his house for cash. It was not a very large house and he got what was considered a fair price, however when he moved to Edmonton and bought a house with about a $10,000 mortgage on it, he found that when work got slow his wife had to go to work to keep up the payments.

Number three got a small down payment on his house and is taking rental payments for the balance. He had a three bedroom home here which sold for about $5,000. He is now living in an apartment in Edmonton that rents for about twice the payment he is getting on his property here.

Number four was still paying on his house when he left. To be able to sell, he had to take a price that left him with next to nothing. He is now renting a house in Edmonton.

These trainmen left because they felt they could hold better jobs in Edmonton. They were able to take their time in making the sale of property here, and, therefore more than likely, got as good a price as could be got. Good, or poor, this money would no more than make a down payment on a home elsewhere. Should all the enginemen and trainmen have to sell their homes here I am sure value would not run at more than 50 per cent and in some cases it would be next to impossible to sell. The market is limited and people know what they want—if you haven't got it they won't buy regardless of price. I am doubtful if any home in Mirror could be sold for more than $5,000, and a house that sold for this could not be rebought in the city for less than $12,000.

There has only been one new home built in Mirror in the last three years. This man built here because he was able to get a lot with a concrete basement, well, and sewage disposal system from a house that was moved away. The fact that he bought this for next to nothing was his reason for building in Mirror, as he wanted only to live in this general area.

The business section of the town has slowly deteriorated since the first cuts made by the C.N.R. This had had a further bearing on the price of property as people do not want to move into a town where they are not able to buy the things they need. This thing has a spiralling effect, as no new businesses will come to town with the run-through threat and people won't move into a town where the business section is poor.

The roundhouse was sold and operated for a short time as a machine shop but this folded up and part of the building is now being torn down. From this it would appear that the town will not receive any "shot in the arm" from this source.

To sum it all up, things have not improved in any way that I can see since 1960, in fact, I am doubtful if it would be as easy to sell a house now as in 1960.

I hope what I have sent will be of some help to you.

Fraternally

Don Wilson,
Mirror, Alta.

Mr. Chairman, there are other statistics here which are specific. It would be better if they were just included in the minutes rather than read.

Mr. ORLIKOW: I presume this is one concrete survey you have made of one town which has been affected by the run-throughs. If a survey was made of any other town, or railway site, would the same kind of information be received?

Mr. GIBBONS: Yes; there is no doubt.

Mr. FISHER: Mr. Gibbons, I wanted to ask you some questions relating to the negotiations which are presently underway, in order to put this whole matter into some kind of a time sequence. Is it correct that almost all the railway unions are entering a negotiating period at the present time with the major railways?

Mr. GIBBONS: Yes. The non-operating brotherhood and the railway trainmen have served notice, and the remaining groups will be serving notice in the near future.

Mr. FISHER: In the knowledge of the members here who represent many of these unions is the gist of what we are trying to do here any part of the negotiations or demands you have served upon the railways?

Mr. GIBBONS: I would have to let Mr. Read and Mr. Kelly answer that.

Mr. READ: The answer is no. It is no part of our present negotiations.

Mr. KELLY: In respect of the Brotherhood of Railway Trainmen we have requested in the notice served on the Canadian National Railways that the matter of run-throughs, or any alteration or change in terminals be the subject of negotiations and be mutually agreed upon. This notice was not served on the Canadian Pacific Railway. At a previous meeting of this committee, I reviewed the circumstances where in 1958 they put this matter into collective bargaining. The hearings were boycotted and more or less of a status quo remains in respect of the Canadian Pacific Railway at this time.

Mr. BEAULÉ (*French*)

INTERPRETATION: I would propose a motion that the committee adjourn.

Mr. FISHER: I have a few more questions.

The CHAIRMAN: There is a motion for adjournment and it is seconded by Mr. Rock.

All those in favour of the motion?

Motion agreed to.

The CHAIRMAN: Do not forget that we meet at 2.30 p.m. in room 308 in the west block.

AFTERNOON SESSION

TUESDAY, November 5, 1963.

The CHAIRMAN: Gentlemen, we now have a quorum, and we shall resume questioning the witnesses.

Mr. BEAULÉ: Mr. Chairman, I am rising on a point of privilege. We all agreed in the last meeting that the committee can sit during the sitting hours of the House, and we were here this afternoon to discuss the bill C-15 and only 8 members were here at 2:30 p.m.

We have to wait until 3:40 p.m. to have quorum. In that case I move a motion seconded by Mr. Gauthier that the committee sits during the sitting hours of the House at the appeal of the Orders of the Day.

Mr. ROCK: Mr. Chairman, on the motion which the hon. member moved, I feel that last week when we decided that question, I was one of the fellows who decided for the same reason that we have had today, and I said that it was better to meet at 9.30 or 10.00 and sit until 12.30 or 1.00 rather than to come back in the afternoon. To do so would give us the same amount of time. But at that time Mr. Fisher interjected and said that we were not used to it being, more or less, new members; and that in the past it was done in this way. I stated at the time that I believed that after the question and answer period there was about an hour left, and that would be all, and you could save that hour by having this whole meeting take place in the morning. Therefore I think it should be changed to that plan, and we should have our whole sitting in the morning, beginning perhaps a little earlier and then finishing it for the day.

Mr. BEAULÉ: Mr. Chairman, I appreciate very much the proposal of Mr. Rock, but I am sure if we call the meeting for 9:00 a.m. we will not have quorum, because many members will not be here at this early hour in the morning. I suggest that we can sit twice a week, Tuesday and Thursday from 10:00 to 12:00, otherwise I still maintain my motion.

The CHAIRMAN: Before we go any further, I shall read the motion. Your first motion should read that the committee does not sit at 2.30, but after the orders of the day. That is your motion, seconded by Mr. Matte. Does anybody wish to speak on the question?

Mr. ROCK: Which one do you mean?

The CHAIRMAN: The one we have on the table now.

Mr. ROCK: I would like to make an amendment.

Mr. LESSARD (*Saint-Henri*): I would ask the members that instead of making motions to change the hour of sitting of the Committee, they should first be present to the meetings. Mr. Chairman, what is the quorum?

The CHAIRMAN: 15 members.

Mr. LESSARD (*Saint-Henri*): I know that I can move a motion to adjourn the meeting for lack of quorum but I feel it would be unfair to do so because of the witnesses who would have come here this afternoon for nothing.

The CHAIRMAN: You have an amendment?

Mr. ROCK: Yes: that the sittings of this committee be held from 9.00 to 12.30 p.m.

Mr. REGAN: No, no, no.

Mr. ROCK: All we are gaining is one hour, so why not have this all in the morning. That is what I stated last week.

The CHAIRMAN: Who seconded your amendment?

Mr. ROCK: Mr. Lessard.

Mr. MCNULTY: What is the time limit of the first motion?

The CHAIRMAN: After the orders of the day until five. There is no time limit stated in Mr. Beaule's motion. The question now is on the amendment.

Mr. GREENE: It seems to me that in setting up new times, procedures, and routines, a whole new *modus vivendi* for committees, we are premature. We have a committee on procedure meeting in the house which I think we can hope will come up with new procedures and methods not only for the house but also going right to the basis of the committee system. Possibly some of these committees will be of a more permanent type, and the members will be assigned to them on a continuing basis so that they will be more familiar with their work from session to session.

What is the use of extending the time of this committee. To do so only means that you will miss sitting on some other committee, and that other committee will suffer or be blessed, depending on your abilities. So I suggest we leave the status quo as it is to as great a degree as possible for this session or until the committee on procedure has given us a new way of life, not only in the house but in committees, so that all of us may form a more useful part than we have been able in the past. I think it would be premature to reconstitute this committee to too great a degree until the whole picture of the entire committee procedure has been considered and a report brought down.

Mr. REGAN: I am seldom a supporter of the status quo, but I feel that we all know from prior knowledge when committees would be meeting and that we have made other arrangements for the hours between nine and ten in the morning for example. Those of us who do not have pocket boroughs to represent but larger constituencies, have many things to keep us occupied in the morning in our offices before we come to committee meetings. I think it is very important that we be anxious to locate new hours for committee meetings, but I think it should be done in a thorough and progressive manner as suggested by Mr. Greene.

Mr. ORLIKOW: I suggest we either vote on this matter now or leave it until the committee is here by itself. I do not see any purpose in having a whole lot of witnesses sitting here while we spend an hour or so in discussing this question.

Mr. ROCK: Mr. Greene spoke in favour of keeping the status quo. Which status quo? The one last week, or the one previously?

Mr. GREENE: I think we have already extended ourselves to sit in the afternoon.

Mr. ROCK: It does not work.

Mr. FISHER: There is a good question here. If we go back to the old status quo, it has been the practice of this committee when it has something before it, to meet two or three times a week, morning, afternoon, or following the orders of the day. The argument is not that the committee is a permanent institution, but rather that it would deal as quickly and with as much dispatch as possible with each item of business brought to it. If Mr. Greene wishes to go back to the traditional status quo, then this committee should meet two or three times a week and clear up the business before it.

Mr. EMARD: It is very difficult for us as members of the official party to sit three or four times a week on one committee because we are already committed to a large number of meetings. I would also like to advise the Chairman to contact the Chairman of the Committee on Veterans Affairs to get together and arrange for different hours to meet. At present, many members, including myself are committed to both committes which sit at the same time, that is to say, at 10:00 o'clock every Tuesday morning.

Mr. BALCER: I agree entirely with Mr. Fisher. We must not forget that we will have the MacPherson report legislation before us and that will take up an awful lot of our time. This committee cannot go on leisurely like this and sit only once a week, and only at a certain time. I think we have before us a very important matter. We might as well clean it up as soon as we can because we are going to have a good deal of work to do before the end of the session. I would like to say further that members of the opposition are just as busy as are members of the government.

The CHAIRMAN: The amendment reads as follows: that the committee should sit from 9 o'clock in the morning until 12.30 p.m. every Tuesday.

All those in favour?

Those opposed?

I declare the amendment defeated.

On the main motion—

Mr. REGAN: What is it?

The CHAIRMAN: That we sit on Tuesday after the orders of the day in the afternoon.

Mr. REGAN: This is in addition to sitting from 10.30 a.m. until 12 o'clock?

The CHAIRMAN: Yes.

All in favour?

Those against?

I declare the main motion carried.

Now, let us get back to our work which is the questioning of the witnesses.

Mr. FISHER: At the time we broke up Mr. Kelly, of the Brotherhood of Trainmen was giving an answer to my question regarding the introduction of this subject into negotiations. I wonder if Mr. Kelly would complete his answer. I do not think he had finished.

Mr. KELLY: Before the adjournment I believe the question was whether anything had been introduced on this subject in the notices recently served by the Brotherhood of Railroad Trainmen. I replied to the effect that in respect of the Canadian National Railways there was a request for the negotiation of run-through operations, that any run-through or change in terminals would be the subject of negotiations and by mutual agreement. We found it necessary again to reintroduce this. This may be on a narrower scope than when we introduced it during the previous negotiations, when we attempted to cover this matter. However, in conciliation it was ruled upon by the board that it was of such a broad nature that it should be dealt with by parliament. It is hoped at this time that we can negotiate something on this; but we certainly feel that action by legislation would aid any negotiation on this subject rather than hinder it.

Mr. FISHER: You have given evidence before this committee during our previous sittings to the effect that when this subject came up for discussion in previous arbitration proceedings, one of the consequences of the discussion was that the judge indicated legislative action would be more useful or better than bringing it within the context of negotiations.

Mr. KELLY: That is correct. I quoted from the majority report rendered by Judge Robinson in our last negotiations. I cannot recall it verbatim, but while he recognized this was a very serious problem, he doubted whether it could be resolved between the parties and thought that it would need the attention of parliament itself.

Mr. FISHER: You are only one of how many unions that has come before this committee in connection with this brief?

Mr. KELLY: As I understand it, one of 18 unions before this committee.

Mr. REGAN: I would like to ask a supplementary question before you go further into this.

Mr. FISHER: Who has the floor? If I am still asking questions, where does a supplementary come in? I do not have to yield the floor. I am not trying to be mean on this, but I would like to finish my line of questioning.

Mr. REGAN: On a point of order; as I understand it, in the proceedings of this committee as carried on in other days we dealt with supplementary questions according to the topic under consideration, and it was not the practice for any one member of the committee to ask a series of questions and

retain the floor for an indefinite period. As I understand it, the Chairman recognizes the members in turn and does not grant the floor to any member of the committee for the purpose of asking a long line of questions.

Mr. FISHER: I would like to finish my series of questions on this topic.

The CHAIRMAN: Would you agree to a supplementary question?

Mr. FISHER: I do not care who asks questions, whether supplementary or not, but I think that when I am on a topic I should be allowed to complete it.

Mr. REGAN: I think there has been a misstatement by Mr. Kelly, probably unintentionally. I think perhaps Mr. Fisher does not understand the process and the difference between arbitration and conciliation because he is referring to a ruling in arbitration. I presume he is talking about conciliation. I would like to clarify this point so that the other members of the committee will know exactly where we stand on it. I would like to frame my own question, but that is the reason I interrupted.

Mr. FISHER: I would like a ruling on the point of order.

The CHAIRMAN: I think the point of order stands, because on a supplementary question a member of the committee always can have the floor.

Mr. FISHER: Mr. Chairman, surely a supplementary question does not take precedence over the original questioner on the topic?

The CHAIRMAN: If it was only one question, I would agree, but since this morning you have been asking a good half dozen questions and wish to go further. I do not see anything wrong. We could let it go at least once.

Mr. FISHER: Well, I will let it go this once.

Mr. ROCK: On that point—

The CHAIRMAN: Now, Mr. Rock I have made my point.

Mr. ROCK: Well, I disagree with you completely. When a member is listening to all these individuals from the brotherhood they jot down certain information and, in my opinion, they should be given the opportunity of getting it off their chests. This is what Mr. Fisher is trying to do. If this gentleman over here has any questions I think he should put them in turn, like anyone else. He can put the questions as real questions later on rather than supplementary questions.

The CHAIRMAN: I understand very well what you mean, Mr. Rock, but this is a special request made by Mr. Regan and Mr. Fisher has seen fit to agree.

I rule at this time that Mr. Regan is in order to ask a supplementary question at this time.

Mr. REGAN: Mr. Kelly, in this series of questions and answers that have gone on you referred to the fact that a conciliation board ruled this matter was of such a broad nature that it should have been dealt with by parliament and, I believe, in the main, Mr. Fisher said this was an arbitration board.

First of all, I presume this was a conciliation board you were referring to as the matter could not come up before an arbitration board since it is not something that is contained in the previous collective agreement.

Now, further to that, is it not a fact that the terms of reference for that conciliation board, like any other, are broadly, and in general, to do all things that are necessary to help bring agreement between the respective parties in the areas of disagreement and that the conciliation board, according to its terms of reference, should attempt to conciliate in matters upon which the parties disagreed, and that Judge Robinson was in error according to the best principles of conciliation in not being willing to go into the matter which, I

understand, you people had made the subject of your demands for the new collective agreement, which you wanted the board to deal with. In view of that do you not feel that a conciliation board should, within its proper terms of reference, deal with this question and that the only purpose of a conciliation board is to attempt to bring together the parties in respect of their differences?

Mr. KELLY: I would agree with you that the aim of a conciliation board should be to try and bring about agreement between the parties, and that is usually the course followed. However, when the matters cannot be resolved in a conciliation board hearing there comes a time when the conciliation board must render a report.

Mr. REGAN: Obviously.

Mr. KELLY: The report is not binding; it is not arbitration. You may say it has moral weight. Now, if I understand you correctly, you said Judge Robinson was in error on this. He expressed an opinion.

Mr. REGAN: An opinion, that is fine, but not a ruling that you could not deal with this matter in collective agreements.

Mr. KELLY: He made a recommendation, as I understand it, to the minister who appointed him on how to resolve this dispute. If you are referring to the use of the word "ruling" I would have to agree that he did not make a ruling; he rendered a report to the minister of labour stating, in his opinion and this constituted the majority opinion of the board this was a problem for parliament itself.

Mr. FISHER: I would like to ask Mr. Gibbons a question. Mr. Kelly has told us this particular matter related to run-throughs. I want it clear that the run-through aspect is only a small portion or a small part of the reason why you were interested in having this particular change in the act.

Mr. GIBBONS: Yes, that is true. That is only one item of the many.

Mr. FISHER: I want to go on to two other matters which will take five minutes. I wanted to ask Mr. Wells—

Mr. GREENE: On a point of order, Mr. Chairman, do we permit a member to ask all the questions on any aspects of this he wishes before we go on to another member, or do we deal with this particular question that Mr. Fisher has raised?

The CHAIRMAN: On your point of order, Mr. Greene, so far we have allowed a member to bring out all the questions he has.

Mr. GREENE: And then he is finished, is he?

The CHAIRMAN: He is finished until he comes back with other questions possibly a half hour later.

Mr. FISHER: Mr. Wells, you heard the railway association give an indication that the creation of this legislation would discriminate against this industry; can you give us any information as to the conception your group has whether there is a unique nature to the railway industry that belies or contradicts this argument of the railway association.

Mr. WELLS: I would think there probably is at least two factors that make the railway industry different to most other industries, particularly in Canada.

The first and most obvious one is the very size of the railway industry, which has most of the aspects of a public utility, that it has historically always involved parliament in a great many aspects of its operations by way of subsidies and controls on labour. This would be the one most obvious reason.

The other factor which makes it a unique industry is, I think, in connection with its labour mobility or transfers of labour from point to point, and

this is something which does not occur in practically any other industry. There is not too much evidence of a factual type, but a study carried out in the United States for the armour operation committee by Arnold Weber looked at 7,000 different contracts in the United States and found only 14 agreements for interplant transfer in their collective agreements, so in this sense the railway industry is again unique because of this type of transfer throughout the country which, as we all know, is a very common feature of the industry.

Mr. FISHER: I have one last question. Have you or any of your associates any information on the practices of the railways in so far as their nonscheduled employees are concerned, when it comes to shifting from job to job or from place to place, and the privileges or the support the railways give such employees?

Mr. GIBBONS: Yes, we have a copy of management bulletin No. 25, that was issued in December, 1959. This contains the provisions for the expenses incurred by employees when moving at company request. They are as follows:

(1) Packing and unpacking of household effects, together with shipments from former residence to new location.

(2) Travelling expenses of employee and family from former to new localities.

(3) Temporary living expenses of employees and family at the new location for a reasonable and prearranged period pending availability of permanent accommodation.

(4) Storage charges for a reasonable prearranged period on household effects where storage is necessary until the premises at the new localities become ready for occupancy.

(5) Insurance of household effects during period these are in transit.

(6) Cost of moving automobiles.

(7) Conversion of electric appliances to permit the operation of these appliances on the cycle or current that is in use in new location.

(8) Cost of disconnecting and connecting household appliances such as stoves, washers and dryers.

(9) Cost of connecting charges for telephone, hydro and so on.

(10) A payment of $200 to each employee who is a householder, i.e., owning or renting his living accommodation, excluding any single employee who is boarding, as reimbursement for their other expenses incidental to the above.

Mr. FISHER: Could you give us any indication whether this is standard procedure on the part of both the major railroad companies?

Mr. GIBBONS: I do not have the answer to that question, Mr. Fisher.

Mr. FISHER: To which railroad company does this procedure apply?

Mr. GIBBONS: This procedure applies to the Canadian National Railways.

Mr. FISHER: These are in fact prerequisites that go to nonscheduled employees but are not available to those individuals who do not belong to trade unions?

Mr. GIBBONS: That is right.

The CHAIRMAN: My list from this morning indicates that Mr. Beaulé is next, then Mr. Rock.

Mr. BEAULÉ: I understand that a trainman can apply to Toronto and Montreal from Quebec. Otherwise, if he wants to be protected, he will ask for home-point seniority in order to be protected in the eventuality of an abandonment of a terminal?

Mr. GIBBONS: The question is unanswerable. In the first instance we do now have universal seniority in any way shape or form. There is no transfer of seniority. I do not follow your reasoning in this regard, I am very sorry.

I wonder whether I might be allowed to refer the question to Mr. Kelly as it involves a point in respect of a trainman?

Mr. KELLY: I am sorry the translation system was not working during your question, but as I understand it, you suggest that a trainman can bid in on a job on preference in Toronto or Montreal. This would not be correct because of the establishment of very definite seniority districts within which they must work. When an individual hires on the railroad he has full knowledge of the fact that he can be moved to what we call outlying points within the seniority district. We do not ask for any relief in this regard. It is a recognized fact that a man working for the railroad company can be moved in this way.

Changes are now being made in respect of the seniority districts. We are faced with these so called run-throughs where a man is hired at point A, his home terminal, and normally runs between point A and point B, perhaps a distance of 150 miles, or may also run to and from outlying areas within that district. The companies are now saying that instead of running from point A to point B they are changing the home terminal, point A to point B and will be running from point B to point C, disrupting all the terminals along the line. They disregard the seniority districts and are adopting the very broad district to which you have referred.

Mr. BEAULÉ: What is the financial loss sustained by the unions during the last ten years as a result of these changes, and what losses are foreseen in future years, if any, to these people in the event that they are laid off?

Mr. GIBBONS: That again is an unanswerable question. We do not calculate our assessments on the basis of accounts receivable or on an ordinary book-keeping system. The financial set up of our organization is such that from time to time a levy is made on the existing membership, whatever it is, in order to meet our obligations as an organization. We cannot say what the financial loss will be. Perhaps we could make a study in this regard if asked to do so, but I think it naturally follows that if our expenses keep rising, as they seem to do, and our membership falls we must place an additional assessment upon the remaining membership. However, I do not think this situation has anything to do with the question now before us.

Mr. ROCK: Mr. Chairman, I should like to make a few remarks and ask one or two questions.

For certain specific reasons, I am deeply concerned with this matter. I represent the county of Jacques Cartier—Lasalle within which are located the two largest hump yards in Canada. The hump yard of the Canadian Pacific Railway also lies within the county of Jacques Cartier, but mainly in the county of Notre-Dame-de-Grâce. The rim of my community also touches upon that area containing the old hump yard of the Turcotte works which belonged to the C.N.R., and which is also partially within the county of Notre-Dame-de-Grâce and Saint-Henri.

I am concerned particularly with that era when the change from steam to diesel locomotion was carried out. The rim of this big wheel extended across the whole of the province of Quebec. At this time there was an exodus of senior employees from the outer portion of this wheel toward the hub, which was in effect the metropolitan area of Montreal. Hundreds of employees from the

outlying areas moved into the metropolitan area of Montreal, or the centre of the hub. I believe the people of Montreal suffered from this change more than anyone else. Many of these employees had ten or 15 years service but lost their jobs. I disagree with the statement made by Mr. Gibbons to the effect that an attempt was being made to protect the outlying areas where an employee with seniority would not have seniority in an area to which he must move as a result of the abandonment.

You stated also that there is little concern for the employees in metropolitan areas because in those areas these individuals can sell their houses without much difficulty and will incur much less expense. I do not agree with you in this statement. As an example of the situation which can occur I can perhaps mention the problems of a very good friend of mine. This individual had almost 14 years service. The gentlemen's name is Wilfred Cardinal. I hired him after he was more or less laid off by the C.N.R. This man's wife had a job, and because of her job he moved to Sorel. Within a few years of his moving to Sorel he was called back to the C.N.R. He was commuting from Sorel to Montreal. He was unable to continue with this situation and had to resign from his position with the C.N.R. He is now working for an industry in Sorel. This situation will indicate that the problem does not exist only in the outskirts but also within metropolitan areas, hence my concern.

You have suggested that people working for the railway companies in outlying areas should be protected but this same protection is not as necessary in respect of individuals working within metropolitan areas. I do not agree with you in this regard. Would you care to make any comment in respect of this situation?

Mr. GIBBONS: Maybe two or three of us would like to take a whack at it.

Mr. ORLIKOW: At it or at him?

Mr. GIBBONS: What I was trying to convey is that there had been an expression of concern by members of your committee that if we made this applicable there would be wholesale applications to the board of transport commissioners about the cost. The particular subject that was being discussed, as far as I gathered at that time, was loss of the real estate value of a home. I pointed out that in all instances it was very likely that when the board was considering such a case there would not be any compensation to an employee for this particular part. However, if you go back to our original request for the revision we said that:

> The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with, nor remove, close, or abandon any station, divisional point, freight office, or express office nor create a new divisional point that would involve the removal of employees or the loss of employment on the railway by an employee, without leave of the board; and where any such change is made the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence or loss of employment necessitated thereby.

Now, whether you bring down an amendment or not will not change this existing seniority provision in the contract overnight. Naturally, those with more seniority, as they are displaced, whether they are in an urban centre or out on a branch line, are going to move wherever they can seek employment, and ultimately someone, after all the multiple bumping, will be displaced. We are asking that the amendment include compensation for those people in line with the C.N.-C.P. Act where they would draw severance pay or financial assistance.

Mr. ROCK: In other words, when there is a case of abandonment in a certain outlying area, this will automatically concern the centre hub of an area where the bumping goes on. In that area they will come right to the hub and we will then have a chaotic situation. What protection do you give these people, or what have you in mind to protect these people in the hub when they are bumped, and up to what year of employment, and how far would you go? Let us say a fellow, who has two years' service and has the same kind of job as one who has 15 years' service, gets compensation. Would he get the same kind of compensation as the fellow who has 15 years' service?

Mr. GIBBONS: The C.N.-C.P. Act—and we hope you will not repeal it or we hope you will transpose it to legislation more to our liking and give it practical application—contemplated the payment to everybody who had one year. This was the bottom. The maximum was that a man with 15 years or more would be able to draw only the maximum allowance, which was 60 per cent of his previous years' earnings for a period not to exceed 60 months, or five years.

Mr. ROCK: In other words, you want protection throughout this act?

Mr. GIBBONS: Correct.

Mr. ROCK: At the outset you gave examples of the outlying areas. I was not clear on that.

Mr. GIBBONS: I am sorry, but in that particular instance I was talking about the cost of transportation, the loss of real estate value of a home. Naturally, I think it was in answer to the concern expressed by Mr. Regan and to his opinion that surely a person in an urban centre would have a better opportunity to get the prevailing real estate value for his home. I have to agree with that, that that portion of an application before the board of transport commissioners would probably not permit him compensation for any loss accruing because there would not be a loss. On the other hand we ask for severance pay in line with the C.N.-C.P. Act for those men who are displaced.

Mr. MCNULTY: Mr. Chairman, I am of the opinion that this section should be lifted right out of the act and should become the subject for negotiations as it is with unions generally. I realize this has been hashed over before in previous meetings, but I cannot find any specific reason for the unions not asking that this be lifted out. I wonder if this could be explained.

Mr. GIBBONS: I think the briefest answer would be this, and we have perhaps refrained from putting it in this way other than in conversation with individuals on the committee—ultimately we suggested to you that as legislators you will, in all probability, have to deal with it in the final analysis anyway. If we were to go to the extreme, shall we say, and insist that now the time has come and we are going to negotiate this and use our economic strength if necessary because we are unable to solve it, I think previous experience would indicate that you as legislators would probably have something to say about whether or not we could use our economic force. This is the answer.

Mr. MCNULTY: Would this not be a reasonable time to come to a conciliation board?

Mr. GIBBONS: As I explained, if you will follow the proceedings of the third session, I think on page 93 we provided the committee with an addendum which actually incorporated the experience we have had in trying to bring something about through collective bargaining, and short of going to the extreme we have been unsuccessful. We know that if we do go to the extreme, the same history is a very good teacher in this regard and we cannot use our economic strength on such a question. We become very important as a factor of the economy of this country if we have to use our economic strength and have no other choice.

Mr. MATTE: Mr. Gibbons, what do you think of the following statement? The Railway Association would not like the Committee to jump at the erroneous conclusion that the reductions of absolute levels of employment are synonymous to lay-offs. In other words, the company offers other jobs to these employees and at the same time discontinue hiring others.

Mr. GIBBONS: No. If I understand your question you are asking that if an employee was fired and if legislation was in effect that we would not ask for compensation for him. Is that the question?

Mr. MATTE: The Canadian Railway Association does not seem to recognize the expression lay-offs, since they offer new jobs to laid-off employees. While the expression lay-off as specified in the Bill would render this Bill inoperative.

Mr. GIBBONS: I do not know what the other employment would be because, as we indicated before, there are only one or two classes of employment in the railways where there is an increase, where there is room for new employment opportunities: one is electricians because of the changeover to diesels, another one would be signalmen and maintenance people because of the installation of the C.P.C. equipment, and the other is management. As far as firings are concerned, if a man is fired for cause we would not be making an application.

Mr. WATSON (*Chateauguay-Huntingdon-Laprairie*): I have a number of questions for Mr. Gibbons and Mr. Wells. I would just like to preface my question with a couple of observations. The first one is that we are all agreed here that if there are going to be technical changes resulting in a more efficient Canadian industry, we are not opposed to this. I think we are all agreed on this point. We are also all agreed that something should be done to rehabilitate those workers who are displaced by a technological change. But I do not think we are all convinced, and I think my mind is open on the subject, on what is the best way of achieving this rehabilitation of workers displaced by technological change. You are suggesting that the railway workers be singled out for special attention, and I am certainly in sympathy with your contention in one area, and that is in the area where workers in small northern communities where the population is perhaps almost entirely dependent on the railway for their living should not be saddled, when the railway moves out, with the full burden of the losses resulting from real estate which is impossible to sell and would be impossible to sell under those conditions. But I am asking you these questions so that I can make up my mind about it. Do you feel, Mr. Gibbons, on the question of the rehabilitation of workers in general, that this requires detailed government legislation covering the entire area for all workers, or do you feel we should be dealing with industry separately? I know you have answered this question, in part at least, several times since the meetings started, but I would like to hear your thoughts on it again. I would also ask whether or not you feel the special situations could not be handled by collective bargaining if there were slightly better liaison between the operating trades and the companies.

Mr. GIBBONS: This is almost an invitation to start talking about the labour management committee of the national productivity council, and about the very mature management relationships that exist in Sweden and certain other European countries, and the sophisticated outlook and approach they have to the matter, which are not as yet very evident in Canada.

To be specific, however—and I think it is only fair that we be specific—we are not in a position to say exactly what your determination should be by way of legislation. We are not in a position to say whether the amendment should be broad and all-inclusive or whether a broad framework should be

determined with, thereafter, certain legislated exceptions that would be a guide for the board of transport commissioners.

In all fairness, the legislation should be not negative, however; it should be positive. The legislation should state that in principle there is a responsibility to be accepted. It could then incorporate the C.N. and C.P. Act, perhaps, which we have also already recommended, in connection with persons who would be entitled to benefits and the amounts; and these matters are always subject to approval of the application to the board of transport commissioners. The board would have to examine all the implications of each application.

I would favour the broad terminology as suggested by us, for the revision.

We have been most emphatic in regard to the question whether this would be better discussed in collective bargaining, and I do not think it bears repetition. Our experience is such that we cannot effect a satisfactory conclusion through collective bargaining. If on the other hand we take it to the ultimate, you people here will tell us that we have to keep working because a national emergency is involved.

With regard to our being unique, this again has been covered. If we were unique in 1913, 1919 and 1933 because the railways are operated under regulations which are administered by the board of transport commissioners, then I think we are unique now. If legislators make certain recommendations for example in consideration of the findings of the royal commission on transportation we think you have the responsibility of considering the consequences of your legislation, more particularly the human consequences, in order to ensure that there is legislation for those consequences.

The day has long since passed when the individual can be left to his own devices in a complex society such as we are living in today, for example with automation. Automation, it is said, will cause more employment opportunities to be created than will disappear in the long run. This is no problem if it is so, but there never has been an objective study or a human analysis of the consequences and effects of automation in this country. Certainly there have been attempts by the government and by private parties to examine the matter, but so far there has been no objective analysis; and so far there has been a feed-back to those who oppose with regard to the other extreme, the optimism that has been expressed about technological opportunities. We are now getting the other extreme in connection with the manufacture of such devices. These people say that if this be so there will be no point in automating because in the United States 40,000 jobs a week are going out of being because of automation. But who are we to say this is true?

Governments on the whole have a responsibility to make objective and comprehensive analyses of the human consequences. Certainly a man cannot be left to his own devices in this matter.

I hope that in part answers the question.

Mr. WATSON (*Châteauguay*): I would like to say that I am in full agreement with you when you say the government needs to do more about technological changes.

We are dealing with this particular act, and we do not appear to be getting to the core of the matter. We are entitled to know more about the economic implications of bill C-15, which is before us now.

I can point out two or three things in this particular bill that I think are subject to quite serious criticism. There is the phrase "any financial loss" in the second last line. Are we going to ask the board to handle thousands of individual cases? Have we to set up a separate board?

I have a further and similar question revolving around this phrase "any financial loss". I would like to know what sort of financial expenses are envisaged here.

Mr. GIBBONS: Again we would refer you to the C.N.-C.P. Act and the P.G. and E. agreement. This is an application of it. There are many examples that have grown up out of the Washington job production agreement in the United States which would perhaps serve a useful purpose in assisting you, but I would think, Mr. Watson, if there is agreement here in principle we would be more than pleased to sit down with you to draft appropriate legislation.

Mr. ORLIKOW: I have a supplementary question.

How would you feel if the companies offered you the same terms and conditions as they gave the salaried employees who are not covered by the working agreement?

Mr. GIBBONS: We would have to accept wholeheartedly, with a smile on our faces; and that would be that.

The CHAIRMAN: Have you finished, Mr. Watson?

Mr. WATSON (*Châteauguay*): I have some more questions but I will give somebody else an opportunity to ask questions first.

The CHAIRMAN: Mr. Greene.

Mr. GREENE: Mr. Gibbons, am I correct in interpreting your evidence as being that in the first instance the unions deemed these issues to be within the proper area of collective bargaining? Is that correct?

Mr. GIBBONS: Yes, Mr. Greene.

Mr. GREENE: And you are here now because you were not able to achieve these ends by collective bargaining? Is that correct?

Mr. ROCK: They never asked.

The CHAIRMAN: Order.

Mr. GIBBONS: In all fairness, I think the answer is that for many years we thought we were covered under section 182 of the Railway Act. When there was total abandonment of the line, as was explained in our brief, between here and Cornwall as a result of the expansion of the great lakes seaway, we thought the employees affected by the total abandonment would be covered, but on application we found that the person who wrote the act was not a meticulous grammarian and legally we were unable to collect what they agreed was ours in principle.

Incidentally, those same people made application under the Washington job protection agreement in the United States and there are Canadians who are here in Ottawa drawing benefits from the legislation in the United States under that agreement.

But then when we saw that the act was not applicable and interpreted as we had thought it to be, because these are situations beyond our control, we thought we were justified in coming and requesting that an amendment be made to the act to make it applicable and to give legal effect to what we figured we had in principle.

Mr. GREENE: Had you ever attempted to achieve these ends by collective bargaining.

Mr. GIBBONS: The addendum included in our brief at the last session gives the total experience that we have gone through in trying to negotiate this matter.

Mr. GREENE: And you were not successful in negotiating the ends through collective bargaining?

Mr. GIBBONS: That is right.

Mr. GREENE: And that is why you are now here.

Mr. GIBBONS: In part, because we took the decision five years ago to try to get an amendment made to the act.

Mr. GREENE: You stated that to some degree you have come up in the hope of finding these ends through collective bargaining. But, what is the use of bargaining collectively for these ends because we will not be able to use our economic power anyway if we accept collective bargaining as the proper method for this question to be decided. Is this argument not applicable to any aspect of collective bargaining so far as the railways are concerned?

Mr. GIBBONS: I think an examination of the record would indicate that I did not say this in that context. Mr. Kelly already offered evidence that in the present negotiations they are trying to keep true collective bargaining, and consideration of one specific area relevant to one issue, so we have not given up hope.

Mr. GREENE: You are still seeking these objectives through collective bargaining.

Mr. GIBBONS: That's right.

Mr. GREENE: You are adopting the principle which says if we cannot get those ends through collective bargaining, we will go to the legislators to get them for us.

Mr. GIBBONS: Not entirely, because we have approached this matter with the understanding that we were protected through legislation. Therefore it is obvious that if you have a supreme court judgment which says in principle that you are not protected, in a legal application of the act, then there is only one place to go. You cannot go to the company to have the law changed. So we approached the previous government, and this has been what we have been trying to have consideration for. It is not a case of dropping one in favour of the other. My whole purpose is that if through collective bargaining we have to go to the extreme and use our economic strength, then you people as legislators are going to have to deal with it again anyway.

Mr. GREENE: This is a different point from an amendment to the Railway Act. I can see that these acts are already there and envisage certain protection. Are you pursuing the area of an amendment to these acts which cover these problems as being different from the passing of this new bill?

Mr. GIBBONS: No, this is not a new bill. Originally—the brief covers the matter thoroughly—in 1913 the Railway Act initially provided for compensation. And in 1919 it was amended and brought under a different section. Somewhere in the rearrangement of the Railway Act sections 168 and 182 became completely disconnected. Section 181 is now only applicable to section 181. But to show how ridiculous this could be, a division of a railway when they contemplated changing a line because of a flood or something like that, would pay compensation to anybody affected by such a small item as that, while on the other hand, you can abandon a whole line and not accept responsibility for compensation. It is so ridiculous that this is why the chief justice said that the persons who wrote the act put the commas in the wrong place, because it distinctly says—if I may be permitted to read the original act—

> The company shall not, at any time, make any change, alteration or deviation in the railway, or any portion thereof, until the provisions of section 181 are fully complied with, nor remove, close or abandon any station, or divisional point nor create a new divisional point that would involve the removal of employees, without leave of the board; and where any such change is made the company shall compensate its employees as the board deems proper for any financial loss caused to them by change of residence necessitated thereby.

This seems to me to be very clear in ordinary language, and it covers the removal, closure, abandonment of stations or divisional points. This old principle has stood in the act since 1913. We feel that if through legal interpretation the act is not applicable, then we have no recourse other than to come here.

Mr. GREENE: Let me ask you about this very natural and properly founded fear of yours in that if the ordinary collective bargaining process should break down in connection with the company, a public utility or a work which is essential to the economy of Canada as a whole, you are not permitted to exercise your economic powers; that it will end up with the legislators in any event. This is applicable to any aspect of collective bargaining, including wages, is it not? You would not expect the legislators to anticipate the collective bargaining process by fixing your wages through legislation ahead of time, would you?

Mr. GIBBONS: Not ahead of time; but they have certainly exercised their influence at arriving at what wages we are entitled to after we have gone through all the provisions of the I.R.D.A., on two occasions.

Mr. GREENE: After under the economic processes of collective bargaining which exist, no agreement could be reached; this is your essential issue?

Mr. GIBBONS: That is right.

Mr. GREENE: If we follow the procedure of legislating on areas which are properly within the ambit of collective bargaining in order to prevent some ultimate disagreement, are we not removing the complete function of the unions and of the collective bargaining process within the area of the railways?

Mr. GIBBONS: Not in this particular case because of the unique situation, where the legislators have sought as far back as 1913 to provide compensation for employees adversely affected by changes on the part of the railways, quite apart from those over which they had absolutely no control. I do not think we should tie this in with collective bargaining, with all due respect.

Mr. GREENE: That is what disturbs me. What I am afraid of is your approach to this. Suppose the companies come to us next and say here is something which, with collective bargaining, we will not be able to get together on; some judge somewhere may say you will never be able to get together on this, and therefore ultimately it may be that there will be an impasse and we will have you fellows back anyway. As legislators therefore we ask you to take this out of the area of collective bargaining by legislating. I think those of us who believe in the collective bargaining process do not want to have any difficulty in the area of collective bargaining in matters which could properly be arrived at by legislating, nor do we want to take action in anticipation of the fact that no collective agreement can be reached.

Mr. GIBBONS: It is very difficult to deal with hypotheticals. I suspect that the railways will be coming here to make very strong representation. They have already indicated that by pleading for the removal of section 181. This would seem to be their view, but we can speak for the people that we represent. And in view of our experience over many, many years I repeat that we were covered by legislation to all intents and purposes because of the unique situation of the railway companies being very closely regulated. Therefore it was felt that if legislation had to be enacted, if it comes to that point, if the legislators are going to legislate to change the regulations in any way, shape or form, and the railways operate under this legislation, we assume that they will accept responsibility and assume the effects of section 7. It is unique in that respect.

Mr. GREENE: Do you feel it is proper for the unions to ride both horses and say we will meet this either through collective bargaining or legislation? Should they not make up their minds which horse they are going to ride? You

do not come to us in the matter of wages and say we will not agree on wages; we will have you set them. You would not want us to do that, I am sure. You believe in collective bargaining and you would not want to do that. Is it not for the unions to say that this is either a matter which affects only the legislative process of the Railway Act, or that it is an area for collective bargaining which will be battled out in the collective bargaining area?

Mr. GIBBONS: We have attempted to seek an amendment to the Railway Act for the only reason that it is obvious to us that since 1913 there were compensation provisions in the act for employees who were severely affected. Should we just throw our arms up in despair because the chief justice of the Ontario supreme court said that in principle we are entitled to this by the law of the country, but legal application cannot be given to it because a nonmeticulous grammarian wrote the law. This should not take away from the power of governments to make an appropriate amendment to give legal effect to the principle involved.

On the other hand, if we talk about collective bargaining, we have had experience under the Industrial Relations and Disputes Investigation Act in respect of this 60 days prior to expiration of the contract. This is supposed to be conducive to industrial peace; this is the purpose of it. Management exercises what it calls managerial prerogative and tries to implement changes in our working conditions during that period. The act is silent in that respect.

When it comes to the 60-day period immediately prior to the expiration, then we have notice of revision of wages on the railways, and the act becomes positive in that it says that during this period and until a certain time after the conciliation board has reported there shall be no change. This act comes back to the legislators because you set the ground rules for it.

Mr. ROCK: I have a supplementary question.

Mr. GREENE: May I finish. You do not fear you are riding a dangerous horse by approaching the matter from the standpoint of collective bargaining and legislative processes? You want alternative remedies, if one will not work the other will from a union standpoint.

Mr. GIBBONS: No. We have no fear at all.

Mr. ROCK: A reference was made to the Washington job protection agreement last week, and we asked if we might obtain copies so that we could use them in relation to section 182 and the other section. Have you received these copies?

Mr. GIBBONS: It was my understanding that the committee would obtain them.

The CHAIRMAN: The question was not settled on that point.

Mr. ROCK: I think it was understood that they would be obtained.

Mr. GIBBONS: We have a copy.

Mr. ROCK: Could that copy be printed in the Minutes of our Proceedings and Evidence for next week?

Another thing is that some of these members have to take a train shortly and I think we should finish with the questioning of the members of the brotherhood.

The CHAIRMAN: Could we have one thing at a time? Do you have a motion?

Mr. ROCK: I would move that this document, the Washington job protection agreement, be printed in our minutes.

Seconded by Mr. Beaule.

Motion agreed to.

Mr. REGAN: I have two or three quick points. First of all, you referred to the provision in the act regarding no changes during the last 30 days. To be perfectly frank and clear, will you agree that in respect of the 60 days of a collective agreement, the purpose envisaged in putting that into the act—and it is in the provincial act also—was to prevent continuing pressures at a time when negotiations were coming up. Do you not agree that the 60-day freeze is for a very specific purpose and not the one we are concerned with here? Do you not agree with that?

Mr. GIBBONS: Not entirely. I would ask Mr. Kelly to answer that.

Mr. KELLY: I would say that it serves a twofold purpose, because as I understand the act from the time notice is served the employees cannot use their economic strength until a specified period of time; that is seven days after the conciliation board reports. So, by the same token there is provision that there shall be no alteration of conditions of employment at a period of time when the employees do not use their economic strength. Where we contend it is discriminatory is that once the collective agreement is entered into there is no prohibition of management making vital changes during the period of the contract.

Mr. ROCK: Would you agree that you bargain with them the clause which gives them their management rights?

Mr. KELLY: No.

Mr. ROCK: The theory in all collective bargaining is that all rights which are not bargained away, all residual rights, remain with management and they have the right to manager their own business. If they make a collective agreement with you, it does not bargain away management's rights, and those rights remain with management, and it is only because of that they can change the manner of operating the business during the course of the agreement.

Mr. KELLY: No. There are two theories in respect of residual rights. Most arbitrators would agree with the theory you advance, and a lot would differ with the theory of residual rights. Some people think these contracts are built up over a period of years, and that there is more specified than appears in the actual wording of the actual contract. In our railway case where men have hired on, there is one specific reference to it as terminal and a lot of people hold that there is more to a collective agreement than the exact terms. Certain people advance this theory, and other people oppose it.

Mr. ROCK: It is true that some people feel there are implied conditions. Mr. Gibbons, rightly or wrongly your case you feel is unique from that of other unions, and from the other considerations which we as legislators must look at in respect of technological changes in industry and in respect of the effect on workers across Canada. Your position for a unique case is based on two things; first, that there was legislation in the past to provide protection in this particular industry, and therefore you do not feel that conditions have changed to the point that the legislation should be dropped, but rather clarified and strengthened and, secondly, that you are an industry in which people are called upon to transfer long distances more often than in any other industry, and that this is an industry in which people are more often stationed in a remote area. Are those the factors upon which you can make a case for being in a different position than other unions?

Mr. GIBBONS: There is one other aspect; that is the fact that we have continually made much of the fact that the railways, perhaps more than any other industry, are subject to more legislative regulation. We are unique—and this is not only in Canada. If any amendment is made to the Railway Act

which would have consequences upon the employees, when we feel that the legislators have a responsibility to examine those consequences and legislate towards alleviation of any adverse conditions, because of the fact that it requires legislation to do it in the first instance, and because it is very closely regulated. For example, in the United States it is so unique they have their own unemployment insurance fund; they have their own railway retirement act and their own railway labour act. Also, this has been recognized in other countries.

What we are asking for is something which is not unique. As far back as 1923 they had legislation in the United Kingdom designed to help those who were subjected to changes over which they had no control. In 1933 they had legislation in the United States out of which grew the Washington Job Protection Agreement in 1936, and in this country it goes back to 1913 and 1919.

Mr. REGAN: In your view, that would be a third reason. Do you feel that the future success of railway operations in this country and, therefore, the top security indeed of your members, would be enhanced or hindered in view of the competition from seaways, if I may use a word which I do not approve of, trucking businesses and pipelines? Do you believe the job security of your members would be enhanced if railways were allowed to operate more in a competitive attitude and were less subject to governmental regulations than was the case in the past.

Mr. GIBBONS: Now, we are getting into a subject—

Mr. FISHER: Mr. Chairman, as that question is so broad I would like the questioner to indicate how he feels it is relevant to this particular subject matter. I think it is only fair that he do this for us.

Mr. REGAN: I would only be too glad to do this. I think it is relevant to the subject matter, Mr. Fisher, because we have to consider here whether section 181 should be dropped. As you say, the railway people are going to suggest it should be dropped and, in the future, the matter left entirely to collective bargaining between the unions and the company; or whether indeed it should be strengthened and clarified, as you people are suggesting. I think this is one example of the type of regulations that affect the cost of operating a railway and which comes outside the package of collective bargaining. Therefore, I think this is your philosophy on this point, and it is very pertinent.

Mr. FISHER: On a point of order, Mr. Chairman, it seems to me this would require a comment, for example, on the whole import of the MacPherson royal commission and its recommendations and I do not think the witness should be asked, shall I say, off the top of his head, to give the position of all these unions in connection with the MacPherson recommendations.

Mr. REGAN: I might say—

The CHAIRMAN: Order, gentlemen. In order that the debate may be closed I would ask the witness to give us an answer in this connection, if he can in the time allotted.

Mr. GIBBONS: I am afraid we could not do justice to the answer right now, and that is for sure, and perhaps not in one future session either because we have very strong views. We have made continuing and repetitive statements on the whole national transportation policy which this country should have, in which all forms of transportation should be examined.

Very briefly, when we have had several royal commissions examine the railway operations in this country there has been no study made of the interrelationships of all forms of transportation. I think you will recognize that in a country 50 miles deep and 4,000 miles wide transportation always will be a problem in this country. We stand ready and willing to have the railways participate in an efficient railway operation. Very briefly, I think that is the best

way we can put it, that we feel that each type of transport in this country should be handling that type of transportation for which it is best suited. But, this cannot be done through competition. For example, the railways are the biggest truck owners in the country right now. It would just go on and on. It would be necessary for us to make a brief such as the one we made to the MacPherson royal commission.

Mr. GREENE: It cannot be done constitutionally.

Mr. GIBBONS: You had the right and gave it away.

Mr. GREENE: Not I; I was not there then.

The CHAIRMAN: I would like to direct a question to Mr. Gibbons. Is it true that you have other unions who wish to appear in front of this committee? The reason I put my question is that we would require time to prepare the agenda.

Mr. GIBBONS: At the outset we indicated that the elected representatives of every single union—that is, railway unions—in Canada are a party to this brief. We are all here. It may be that some of us are not here all the time but we do have representatives from the non-operating groups as well as the running trades. If other parties come and appear before you, and enter briefs, I think we have to clarify it and say—I understand there was some conversation about it in reference to the minister of transport—that these other groups would be coming on their own initiative as citizens of the country. They may be members of railway unions, but we are the duly elected representatives of the unions and all railway unions are being represented by this committee.

The CHAIRMAN: That answers my question.

Mr. REGAN: Do I understand this is your last appearance here?

The CHAIRMAN: No. I put my question because we have to prepare an agenda and I wanted to derive some information in that connection.

Mr. FISHER: I move we adjourn.

The CHAIRMAN: We will be sitting next Tuesday morning at 10 o'clock in this room, and we will continue at that time.

Mr. GREENE: I understand the house sits next Tuesday.

The CHAIRMAN: That is correct. Then, I understand we will sit at 11 o'clock on Tuesday.

Mr. FISHER: Why do you not make the arrangements when you are the Chairman? Why do you not find out about it and let us know.

The CHAIRMAN: I will consult the steering committee in this connection and you will be notified.

APPENDIX C

TO THE CHAIRMAN OF THE STANDING COMMITTEE
ON RAILWAYS, CANALS, AND TELEGRAPH LINES
HOUSE OF COMMONS, OTTAWA

Dear Sir:

We whose signatures are on the accompanying EXTRACT, would ask you and your committee to give grave consideration and your support to a Brief presented by the International Railway Brotherhoods Legislative Committee requesting a revision of the Railway Act in as much as—the addition of the following to Section 182;

> "The provisions for compensation given under this Section shall apply to abandonments approved under Section 168."

would compensate those of our Brothers who would be affected by future abandonments.

Sincerely,

Members of the Brotherhood of
Locomotive Engineers,
Calgary, Alberta.

(19 signatures appearing on the original are kept in file at the Committees and Private Legislation Branch.)

APPENDIX D

STARS: Indicate established rail retention committees.

You will note these were applications before the Board prior to June 1963 and are almost entirely C.N.R.

C.P.R. has held theirs in abeyance until smoke clears.

Total mileage indicated on map 1209 miles.

APPENDIX E

WASHINGTON JOB PROTECTION AGREEMENT OF MAY 1936

Section 7 (a). Any employee of any of the carriers participating in a particular coordination who is deprived of employment as a result of said coordination shall be accorded an allowance (hereinafter termed a coordination allowance), based on length of service, which (except in the case of an employee with less than one year of service) shall be a monthly allowance equivalent in each instance to sixty per cent (60%) of the average monthly compensation of the employee in question during the last twelve months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the coordination. This coordination allowance will be made to each eligible employee while unemployed by his home road or in the coordinated operation during a period beginning at the date he is first deprived of employment as a result of the coordination and extending in each instance for a length of time determined and limited by the following schedule:

Length of Service	*Period of Payment*
1 yr. and less than 2 yrs.	6 months
2 yrs. " " " 3 "	12 "
3 yrs. " " " 5 "	18 "
5 yrs. " " " 10 "	36 "
10 yrs. " " " 15 "	48 "
15 yrs. and over	60 "

In the case of an employee with less than one year of service, the total coordination allowance shall be a lump sum payment in an amount equivalent to sixty (60) days pay at the straight time daily rate of the last position held by him at the time he is deprived of employment as a result of the coordination.

(b) For the purposes of this agreement the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month's service for each month in which he performed any service (in any capacity whatsoever) and twelve such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(c) An employee shall be regarded as deprived of his employment and entitled to a coordination allowance in the following cases:

1. When the position which he holds on his home road is abolished as result of coordination and he is unable to obtain by the exercise of his seniority rights another position on his home road or a position in the coordinated operation, or
2. When the position he holds on his home road is not abolished but he loses that position as a result of the exercise of seniority rights by an employee whose position is abolished as a result of said coordination, or by other employees, brought about as a proximate consequence of the coordination, and if he is unable by the exercise of his seniority rights to secure another position on his home road or a position in the coordinated operation.

(d) An employee shall not be regarded as deprived of employment in case of his resignation, death, retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally, dismissal for justifiable cause in accordance with the rules, or furloughed because of reduction in forces due to seasonal requirements of the service; nor shall any employee be regarded as deprived of employment as the result of a particular coordination who is not deprived of his employment within three years from the effective date of said coordination.

(e) Each employee receiving a coordination allowance shall keep the employer informed of his address and the name and address of any other person by whom he may be regularly employed.

(f) The coordination allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished while he is absent from service, he will be entitled to the coordination allowance when he is available for service. The employee temporarily filling said position at the time it was abolished will be given a coordination allowance on the basis of said position until the regular employee is available for service and thereafter shall revert to his previous status and will be given a coordination allowance accordingly if any is due.

(g) An employee receiving a coordination allowance shall be subject to call to return to service after being notified in accordance with the working agreement, and such employee may be required to return to the service of the employing carrier for other reasonably comparable employment for which he is physically and mentally qualified and which does not require a change in his

place of residence, if his return does not infringe upon the employment rights of other employees under the working agreement.

(h) If an employee who is receiving a coordination allowance returns to service the coordination allowance shall cease while he is so reemployed and the period of time during which he is so reemployed shall be deducted from the total period for which he is entitled to receive a coordination allowance. During the time of such reemployment however he shall be entitled to protection in accordance with the provisions of Section 6.

(i) If an employee who is receiving a coordination allowance obtains railroad employment (other than with his home road or in the coordinated operation) his coordination allowance shall be reduced to the extent that the sum total of his earnings in such employment and his allowance exceeds the amount upon which his coordination allowance is based; provided that this shall not apply to employees with less than one year's service.

(j) A coordination allowance shall cease prior to the expiration of its prescribed period in the event of:

1. Failure without good cause to return to service in accordance with working agreement after being notified of position for which he is eligible and as provided in paragraphs (g) and (h).
2. Resignation.
3. Death.
4. Retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally.
5. Dismissal for justifiable cause.

Section 8. An employee affected by a particular coordination shall not be deprived of benefits attaching to his previous employment, such as free transportation, pensions, hospitalization, relief, etc., under the same conditions and so long as such benefits continue to be accorded to other employees on his home road, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

Section 9. Any employee eligible to receive a coordination allowance under section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

Length of Service	*Separation Allowance*
1 year & less than 2 years	3 months' pay
2 years " " 3 "	6 " "
3 " " " " 5 "	9 " "
5 " " " " 10 "	12 " "
10 " " " " 15 "	12 " "
15 years and over	12 " "

In the case of employees with less than one year's service, five days' pay, at the rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

(a) Length of service shall be computed as provided in Section 7.

(b) One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.

Section 10 (a) Any employee who is retained in the service of any carrier involved in a particular coordination (or who is later restored to service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as result of such coordination and is therefore required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects and for the traveling expenses of himself and members of his family, including living expenses for himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter, (not to exceed two working days), used in securing a place of residence in his new location. The exact extent of the responsibility of the carrier under this provision and the ways and means of transportation shall be agreed upon in advance between the carrier responsible and the organization of the employee affected. No claim for expenses under this Section shall be allowed unless they are incurred within three years from the date of coordination and the claim must be submitted within ninety (90) days after the expenses are incurred.

(b) If any such employee is furloughed within three years after changing his point of employment as a result of coordination and elects to move his place of residence back to his original point of employment, the carrier shall assume the expense of moving his household and other personal effects under the conditions imposed in paragraph (a) of this section.

(c) Except to the extent provided in paragraph (b) changes in place of residence subsequent to the initial changes caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this section.

Section 11 (a). The following provisions shall apply, to the extent they are applicable in each instance, to any employee who is retained in the service of any of the carriers involved in a particular coordination (or who is later restored to such service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as a result of such coordination and is therefore required to move his place of residence:

1. If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by his employing carrier for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the coordination to be unaffected thereby. The employing carrier shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other party.
2. If the employee is under a contract to purchase his home, the employing carrier shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligations under his contract.

3. If the employee holds an unexpired lease of a dwelling occupied by him as his home, the employing carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this Section.

(c) No claim for loss shall be paid under the provisions of this section which is not presented within three years after the effective date of the coordination

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier on whose line the controversy arises and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively; these two shall endeavor by agreement within ten days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser, and in the event of failure to agree then the Chairman of the Interstate Commerce Commission shall be requested to appoint the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party.

Section 12. If any carrier shall rearrange or adjust its forces in anticipation of a coordination, with the purpose or effect of depriving an employee of benefits to which he should be entitled under this agreement as an employee immediately affected by a coordination, this agreement shall apply to such an employee as of the date when he is so affected.

Section 13. In the event that any dispute or controversy arises (except as defined in Section 11) in connection with a particular coordination, including an interpretation, application or enforcement of any of the provisions of this agreement (or of the agreement entered into between the carriers and the representatives of the employees relating to said coordination as contemplated by this agreement) which is not composed by the parties thereto within thirty days after same arises, it may be referred by either party for consideration and determination to a Committee which is hereby established, composed in the first instance of the signatories to this agreement. Each party to this agreement may name such persons from time to time as each party desires to serve on such Committee as its representatives in substitution for such original members. Should the Committee be unable to agree, it shall select a neutral referee and in the event it is

unable to agree within 10 days upon the selection of said referee, then the members on either side may request the National Mediation Board to appoint a referee. The case shall again be considered by the Committee and the referee and the decision of the referee shall be final and conclusive. The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

Section 14. Any carrier not initially a party to this agreement may become a party by serving notice of its desire to do so by mail upon the members of the Committee established by Section 13 hereof. It shall become a party as of the date of the service of such notice or upon such later date as may be specified therein.

Section 15. This agreement shall be effective June 18, 1936, and be in full force and effect for a period of five years from that date and continue in effect thereafter with the privilege that any carrier or organization party hereto may then withdraw from the agreement after one year from having served notice of its intention so to withdraw; provided, however, that any rights of the parties hereto or of individuals established and fixed during the term of this agreement shall continue in full force and effect, notwithstanding the expiration of the agreement or the exercise by a carrier or an organization of the right to withdraw therefrom.

This agreement shall be subject to revision by mutual agreement of the parties hereto at any time, but only after the serving of a sixty (60) days notice by either party upon the other.

For the participating carriers listed in Appendix A:

H. A. Enoch Geo. F. Walton W. W. White

For the participating carriers listed in Appendix B:

L. A. Clements E. J. Cannon C. M. Fletcher

For the participating carriers listed in Appendix C:

H. A. Benton W. J. Jenkins J. B. Lanier

For the participating carriers:

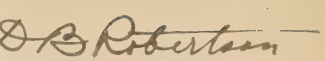
H. A. Enoch

Chairman, Joint Conference Committee.

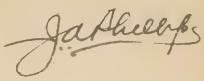
For the participating organizations of employees:

A. Johnston by W. J. S.

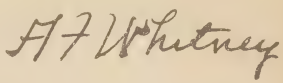
Grand Chief Engineer, Brotherhood of Locomotive Engineers.



President, Brotherhood of Locomotive Firemen and Enginemen.

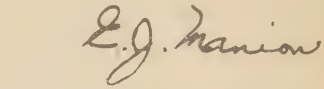


President, Order of Railway Conductors of America.



President, Brotherhood of Railroad Trainmen.

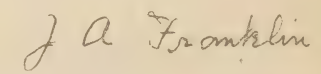
President, Switchmen's Union of North America.



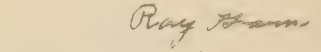
President, Order of Railroad Telegraphers.

President, American Train Dispatchers' Association.

President, International Association of Machinists.

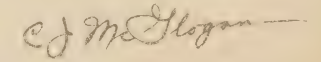


President, International Brotherhood of Boilermakers,
Iron Ship Builders and Helpers of America.



President, International Brotherhood of Blacksmiths,
Drop Forgers and Helpers.

President, Sheet Metal Workers' International Association.



Vice-President, International Brotherhood of Electrical Workers.

Felix S. Knight

President, Brotherhood Railway Carmen of America.

J. F. McNamara

President, International Brotherhood of Firemen and Oilers.

P. H. Bjozdal

President, Brotherhood of Maintenance of Way Employes.

Geo. M. Harrison

President, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employes.

A. F. Lyon

Acting President, Brotherhood of Railroad Signalmen of America.

M. S. Warfield

President, Order of Sleeping Car Conductors.

James J. Delaney

President, National Organization Masters, Mates & Pilots of America.

Wm. S. Braun

President, National Marine Engineers' Beneficial Association.

International Longshoremen's Association.

Geo. M. Harrison

Chairman, Railway Labor Executives' Association.

Signed at Washington, D. C.
May 21, 1936.

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, NOVEMBER 19, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

Messrs. A. R. Gibbons, Secretary, National Legislative Committee, and T. W. Read, President of Division No. 4 of the Railway Employees Department.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

29540-2—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin *(Notre-Dame-de-Grâce)*,
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron *(Nanaimo-Cowichan-The Islands)*,
Cantelon,
Cowan,
Crossman,
Crouse,
Emard,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner *(Acadia)*,
Howe *(Wellington-Huron)*,
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard *(Saint-Henri)*,
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
Muir *(Cape Breton North and Victoria)*,
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson *(Assiniboia)*,
Watson *(Châteauguay-Huntingdon-Laprairie)*,
(a) Webster—60.

(Quorum 15)

Maxime Guitard,
Clerk of the Committee.

CORRECTION (English copy)

PROCEEDINGS No. 4—Tuesday, November 5, 1963. In the Minutes of Proceedings and Evidence—Page 147, Line 19 should read:

Mr. WATSON *(Châteauguay)*: Would you agree that you bargain with them the clause which gives them their management rights?

ORDER OF REFERENCE

FRIDAY, November 15, 1963.

Ordered,—That the name of Mr. Foy be substituted for that of Mr. Richard on the Standing Committee on Railways, Canals and Telegraph Lines.

Attest.

LÉON-J. RAYMOND,
Clerk of the House.

29540-2—1½

MINUTES OF PROCEEDINGS

TUESDAY, November 19, 1963.
(7)

The Standing Committee on Railways, Canals and Telegraph Lines met at 10:15 o'clock a.m. this day. The Chairman, Mr. Prosper Boulanger presiding.

Members present: Messrs. Beaulé, Berger, Cowan, Fisher, Foy, Gauthier, Greene, Howe (*Wellington-Huron*), Irvine, Kennedy, Lamb, Lessard (*Saint-Henri*), Matte, McBain, Pascoe, Rapp, Regan, Rideout, Rock, Ryan, Tucker, Watson (*Assiniboia*), Webster,—(23).

Also present: Mr. Charles Cantin, M.P. Parliamentary Secretary to the Minister of Transport.

In attendance: Messrs. A. R. Gibbons, Secretary, National Legislative Committee and T. W. Read, President of Division No. 4 of the Railway Employees.

The Chairman opened the meeting.

The Committee resumed its questioning of the witnesses.

Mr. Rock asked that a correction be made in the evidence of the committee meeting of Tuesday, November 5, 1963., *Issue No. 4.,* The members agreed to the correction. (*See Issue No. 5*).

As previously agreed on Tuesday, October 29, 1963, the following were taken as read and appear as appendices.

1 A petition bearing 47 signatures and submitted by Mr. V. H. McEachern, (*See appendix F*).

2 A letter from Mr. A. R. Gibbons, (*See appendix G*).

3 A telegram from Mr. G. A. Neil, (*See appendix H*).

4 A letter from Mr. J. Leary, (*See appendix I*).

On motion of Mr. Fisher, seconded by Mr. Regan,

Resolved,—That the Committee meet again on December 3, 1963.

Mr. Greene thanked the representatives of the different brotherhoods of Railway employees.

At 10:55 o'clock a.m. the Committee adjourned on motion of Mr. Foy, seconded by Mr. Berger.

Maxime Guitard,
Clerk of the Committee.

EVIDENCE

TUESDAY, November 19, 1963.

The CHAIRMAN: Order, please. We now have a quorum and I declare the meeting open. Will the witnesses kindly come up to the front? Our witnesses are here and we shall continue questioning them. But before that, Mr. Gibbons has a special request to make of the committee, and I invite him to speak now.

Mr. A. R. GIBBONS (*Secretary, National Legislative Committee*): Mr. Chairman, the president of the Canadian Labour Congress asked me to request permission to read a statement to the committee.

The CHAIRMAN: How long is it?

Mr. GIBBONS: It is two pages, double spaced. It is addressed to the Chairman and members of the standing committee on railways, canals and telegraph lines, and it reads:

BRIEF

Dear Sirs:—

The Canadian Labour Congress wishes to record its vigorous support for the principle of compensation to railway employees affected by dislocation due to the effects of automation, technological change, and operational changes such as abandonment of branch lines etc., now being considered by your committee. It joins with the 19 operating and non-operating railway unions, all but one being affiliates of the congress, whose views on this matter have been submitted in detail to members of the committee on railways, canals and telegraph lines.

This matter has been of great concern to the Canadian Labour Congress, as it has been to the unions representing 125,000 Canadian railway workers, since the supreme court decision of 1957 upheld an interpretation of section 182 of the Railway Act made earlier the same year by the assistant chief commissioner of the board of transport commissioners for Canada. The fact that two of the three commissioners of the board upheld the contention of the employees and the learned Mr. Justice Cartwright dissented from the supreme court judgment in the matter gave cause for optimism that the principle the employees believe was enshrined in section 182 would be spelled out in legislation.

Bill C-15, or the subject matter thereof, which was referred to the house committee on railways, canals and telegraph lines by the hon. the Solicitor-General of Canada, on June 27, 1963, would, the Canadian Labour Congress believes, provide the railway employees with some measure of compensation for dislocation as envisaged in the drafting of the Railway Act.

Canada's railways, their operations, the rights, duties and privileges of their employees are subject to legislation to a degree found in no other industry in Canada. This fact is particularly true of the conduct of labour-management relations in the industry, as it is true of the industry in many other countries. In the United States, for example, this fact is recognized in the legislation which excludes railway employees from the provisions of normal labour relations' legislation and places these employees under the Railway (road) Labor Act.

Railway operations in Canada are, and have been for almost 100 years, an instrument of national policy. I do not feel it necessary to spell out the legislative actions of our parliament that provide the necessary evidence for that

assertion. The Canadian Labour Congress believes most strongly that railway employees should not be called upon, or singled out as a special group, to suffer hardship as a result of the implementation of national policy—whether it be in the abandonment of service or the subsidization of uneconomic operations.

In the present case now being considered by the house committee, detailed and specific recommendations have been placed before members of the committee and well-reasoned arguments have been submitted by the railway unions to justify their contentions.

To make a favorable decision in this matter would not involve the parliament of Canada in creating a precedent. Legislation providing for compensation to dislocated employees has been on the statute books in the United Kingdom since the 1920's and in the United States since 1933. The Beeching inquiry into re-organization of the British railways has proposed further broad and sweeping measures of compensation to displaced railway employees (Beeching report, March 27, 1963).

On behalf of the Canadian Labour Congress, I urge favourable consideration be given to a recommendation that the provisions of Bill C-15 be enacted into law by the parliament of Canada.

Yours very truly,

Claude Jodoin
President
Canadian Labour Congress

Thank you, Mr. Chairman.

The CHAIRMAN: Are there any remarks or questions?

Mr. BERGER: I am of the impression that I am the only one who, after reading certain newspapers such as the *Labour Review*, believe that you would be very seriously thinking of going on strike if you did not get any satisfaction with Bill C-15. Do you believe that your timing would be very good, considering the situation as it is now?

Mr. GIBBONS: To tell you the truth, we have not even considered it. I think the record will show that we were asked the question during the course of the proceedings, would there be the danger of a strike, and my answer—which I think I can repeat—was that we had sought through management-labour negotiations to obtain relief for our people, and that at the same time since 1938 we had been placing before the government, the cabinet, our desire for an amendment to the Railway Act. I think the wording I used was certainly that if we failed in this manner to obtain a favourable solution to our problems, we would have to seek other ways.

The CHAIRMAN: Are there any other questions? Let us go back to the general order of the day and you may ask questions at large. Our witnesses are again Mr. Gibbons and Mr. Wells.

Mr. FISHER: We have had a lot of questioning and we have gone over this a great deal. Do the witnesses feel there is anything they can add in any way to the presentation that has been made before we let them go?

Mr. GIBBONS: Mr. Chairman, first of all I would like to read a report, with your permission. It is not a report, really. It is just some facts which I have put down, after which I would like to make a general statement in regard to future representations.

The CHAIRMAN: Do I understand that the members of the committee have no other questions to ask before Mr. Gibbons makes his general statement? Are you prepared to hear Mr. Gibbons, or have you any other questions before you do so? That does not mean that if Mr. Gibbons reads his statement everything will stop.

Mr. RYAN: I would like to ask a question. I would like the witness to say if there is any provision now in any way for a man who is bumped, or for the man who bumps him, to receive anything from the railway, or through the present board to assist him with his expenses of dislocation?

Mr. GIBBONS: No, there are none, other than in isolated cases. I think you would find them for example, in a movement from London, such as when they closed down the passenger terminal services, the shops, and there was dislocation there. Again, perhaps an isolated case might be a movement out of Moncton, but in the general application there is no compensation when seniority is exercised and bumping goes on. We have in the past accepted this as part of our employment. However, what we are concerned about now is that many of these changes are taking place beyond our control. Therefore we feel that the time has come when we do not even know now if we can move from terminal "A" to terminal "B" with any reasonable degree of security that terminal "B" will remain there, because we cannot get disclosure from the railways of what their plans will be. But a direct answer to your question is no.

Mr. RYAN: Does the railway give any assistance in the way of freighting furniture or anything of that nature in bumping cases, or in the cases that you are more particularly concerned with now?

Mr. GIBBONS: The answer to that question is yes. They give you a free carloading. You have to pay the transportation to the car to load it. I mean the transportation to the terminal, as well as the transportation from the terminal to the house to which you are moving. You have to make all the arrangements to unload the car and move the goods from it to the home.

Mr. RIDEOUT: I think that only applies to agents.

Mr. GIBBONS: No, there is free loading for every employee. Moreover, the man and his family have free transportation on the passenger trains.

Mr. HOWE (*Wellington-Huron*): Would the witness tell us just how many railroaders make use of the free cars supplied to them? I lived in a railroad town for a long time and I remember one outstanding example. There was one railroader who was conscientious enough to use the car, and he moved to Brockville. How many others take advantage of the free carload, or how many use the freight car movement from their own door to their destination?

Mr. GIBBONS: We would not have any figures on that. I know that I moved several times in my own experience with the railway, and only once did I use the facilities offered by the railway for free transportation of goods.

Mr. RIDEOUT: Is this something written in the agreement? This is a revelation to me. Down in the maritimes I do not think anyone ever got moved except agents.

Mr. GIBBONS: No, it is not written in the agreement, but it is generally accepted. I think railway personnel here would confirm that upon application you can get a free bill of lading for your household effects. This does not mean every day, or week, or every month, but at reasonably periodical times.

Mr. T. W. READ (*President of Division No. 4 of the Railway Employees Department*): I would like to say that on the Canadian National Railways this privilege is given to employees, but not on the Canadian Pacific Railway.

Mr. BEAULE:

(*Interpretation*): When they ask, they receive an ordinary freight car, not the means of transportation of their choice. They may ask to move their furniture. Such goods cost a lot of money. Sometimes they would rather have their furniture moved by truck than by car. I think they should be provided with the means of transportation of their choice.

Mr. GIBBONS: The answer is no, they cannot have a choice in this matter. If there are provisions, I would have to qualify them by saying that on the Canadian National you do not have a choice. You have to move your goods in the car which the company provides for you, and not by truck.

The CHAIRMAN: Will you proceed?

Mr. RIDEOUT: I think Mr. Gibbons might unintentionally be misleading the group. I agree with him that some of the federated trades may receive concessions and specify what kind of car it shall be from, let us say, Moncton to Winnipeg. I know that the men do have cars set up for them. But in some places where there is a seniority spare board, when these people are transferred, they are not given a box car in the Atlantic region to move their goods. I think it is very charitable with the veteran trades to give it to them when they shut down a shop. Some of our shop employees transferred from Moncton elsewhere have had cars placed on the siding for them until those people became rehabilitated. But in the running trades, I cannot agree that they are given it, because they are not.

Mr. GIBBONS: I bow to the hon. member's interpretation of my misunderstanding. Evidently I was trying to give the railways credit for something which they did not deserve.

Mr. FISHER: I grew up in a railway family, and we moved a number of times. This provision was always available. And in particular places where we moved to, there was not any possibility of going by truck. But you had this privilege, and it was taken as a matter of course. I believe it still applies in the Canadian National Railways. I know a few years ago my brother moved by this means, and there was a box car there, and he had to load it. The reason it is not used very much now is that trucks are available, and unless it is a haul of more than 500 miles, the costs are just as great as if you used the box car, because you have to use a truck at each end to load and unload the car; whereas if you ship all the way by truck, that provision is not required. Therefore it has been found cheaper for the employee to take the truck rather than to use the facilities.

The CHAIRMAN: Will you proceed with your representation?

Mr. GIBBONS: With your permission I would like to refer briefly to the situation in the United Kingdom where within the last year, early last spring, what they call the Beeching report was made public. It contemplated something that we are fearful will take place in Canada, and which is a very pronounced attempt to do away with uneconomic branch lines. I think that some of the thinking that prevailed with regard to the obligation that they have and the responsibility to employees in that country would still be worthy of consideration of this committee:

> The British railways board was "keenly aware" that such a large-scale reorganization was "bound to cause hardships to some people and inconvenience to many others" and had prepared proposals "to ameliorate these difficulties as far as possible".
>
> For example, men who had to move from their appointed post to another in a lower grade would in future retain their old rate of pay for up to five years unless they could be reinstated in their former grade in the meantime. If they had to move their homes, there would be substantial payments to meet removal costs; adequate periods of notice would be given to those men who had to be discharged, during which they would be able to travel free and with pay to seek other employment; and there would also be substantial resettlement payments, with lump sum payments depending upon length of service, plus continuing weekly payments related to length of service and age.

This evidently was not satisfactory to the Railway employees on the British railways and a strike date was set in protest of the anticipated redundancies.

The strike was called off as a result of negotiations and a further offer on redundancy terms, which resulted in an agreement being reached, on the following points.

Perhaps some of you will recall that they set the strike for the month of April in the United Kingdom. This permitted negotiations, and as a result arrangements were made for this greater extension.

Men transferred to a lower grade would keep their old pay rates indefinitely, instead of for five years only; men transferred would enjoy travelling facilities indefinitely, instead of for five years only; lodging allowances for men working away from home would be raised. In addition the board would consider the unions proposal that men aged sixty or over or with 40 years or more service who were declared redundant, or who worked in areas of redundancy, should be permitted to retire prematurely and receive their basic rate of pay until their due date for retirement.

The only other thing I would like to ask is that if there are no further questions by the members of your committee, we might request an opportunity perhaps to enter a rebuttal after the railway witnesses have been heard.

Mr. RIDEOUT: There is one thing I wish to clarify I think, for some of those who are not too familiar with it. To digress for a moment, Mr. Fisher stated that the railway provides transportation facilities for the movement of household goods and furniture. But some of the committee may feel that the railway is at present going a long way to look after this situation. I think we are leaving a wrong impression. I reiterate that these men are not being looked after insofar as box cars are concerned and so on. When disrupting, they are disrupting the running trades on the basis of seniority, and if they have to go, for example, from Moncton to Saint John, they are provided with a common box car as a facility in which to move their household goods.

Mr. RYAN: Could we have it made clear that within a divisional district there is this privilege afforded but not outside?

Mr. RIDEOUT: No, there is no privilege within the district, or without. I do not think that on the big wheel in district No. 2 in the province of Quebec, they move goods. Perhaps Mr. Gibbons is more familiar with it than I am. I think if a fellow was moved from Charny to Brockville, the railway would not pay to move his goods.

Mr. GIBBONS: With all due respect I suggest this would be a very appropriate question to pass to the witnesses from the railways when they are here.

Mr. FISHER: There is no question about it that when the management of the railway moves, it is certain to receive that privilege.

Mr. GIBBONS: That is right, and it is in the records.

The CHAIRMAN: If there are no further questions, would you please proceed?

Mr. GIBBONS: That is it with one exception. I want to point out that in the minutes of the last meeting, no. 4, there is set out the Washington job protection agreement of May 1936. I would not want members of the committee to get an erroneous impression. This is a negotiated agreement, as can be seen by the signatures attached on the back in the appendix, and I would point out that in addition to the Washington agreement there is a transportation act in the United States which empowers the interstate commerce commission,

which is the equivalent of our board of transport commissioners in Canada, to use the Washington job protection agreement as a guide in considering similar mergers, consolidations, or abandonments of mines. So please do not be under the impression that there is no legislation in the United States in this regard. I thank you.

The CHAIRMAN: Are there any further questions?

Mr. ROCK: Mr. Chairman, I wish to correct the record. In proceedings no. 4 near the end of page 147 there are certain statements which I did not make. I believe it was Mr. Watson of Chateauguay-Huntingdon-Laprairie. I refer to where it says "would you agree that you bargain with them the clause which gives them their management rights?" I do not think I had anything to do with that discussion at all. From there on down. I believe from this phrase on "Mr. Rock" should be changed to read "Mr. Watson (Chateauguay-Huntingdon-Laprairie)".

The CHAIRMAN: On page 147 after Mr. Kelly, it should read Mr. Watson (Chateauguay-Huntingdon-Laprairie)? All right, and for all the rest?

Mr. ROCK: From there on "Mr. Rock" should be changed to "Mr. Watson (Chateauguay-Huntingdon-Laprairie)".

The CHAIRMAN: All right. Are there any other questions?

Mr. REGAN: I move we adjourn and round up the railway people.

The CHAIRMAN: As I understand it the questioning period is over. I do not think we need to see you again except that we must decide when to sit to hear the railway association. I would point out that next week the federal-provincial meetings will be held here; all the rooms will be occupied, and we will not have any simultaneous translation. Also, to give these people a chance to be prepared my suggestion is that we call the meeting together on December 3. I see that Mr. Beaule is asking for the floor.

Mr. BEAULE: Before Mr. Gibbons leaves, I believe an amendment was presented and it has not been discussed. What do you think of the amendment introduced by the unions? Shall we discuss the amendment? Are the members of the committee willing to accept the amendment or do they wish to reject it?

Mr. FISHER: What amendment?

Mr. BEAULE: The amendment in the brief presented to us at the first meeting of the committee.

Mr. REGAN: Are you talking about Bill 15?

Mr. BEAULE: Yes.

Mr. REGAN: Well, we do not do that in committee.

Mr. FISHER: Mr. Chairman, we are considering the subject matter of the bill and not the bill or the wording. The railway unions have made a critique of the bill. Differences of opinion in respect of the wording are not particularly relevant to our discussion at this time. This can be considered when we are discussing the bill itself after we have heard from the railway association and other witnesses.

The CHAIRMAN: Mr. Beaule, you understand that we are now studying only the subject matter. We will consider your suggestion when we are formulating recommendations after we have heard all the witnesses, including the railway association.

Mr. ROCK: Mr. Chairman, it seems to me that you have taken over the translation. You seem to have forgotten that we have a translation system operating at this time.

The CHAIRMAN: That is right. Thank you.

Mr. FISHER: Mr. Chairman, in view of what the house leader has said, it appears that this session may end before Christmas. Members who have been

here at the end of the session will realize that there is a great rush and a number of hurried committee meetings. I am becoming concerned whether we are going to be able to come to any good conclusion regarding this bill. I should like to ask my fellow members of this committee to discuss my suggestion, which I will now outline.

I do not complain of the slow pace at which this committee is moving and will not if it is understood that the proceedings of this committee to date will carry over into our next session. If this session ends before Christmas and a new one is commenced after Christmas the normal procedure is to start with a bill such as this and repeat everything which has been done at the previous session. The order paper becomes completely new at the commencement of a session. This committee would have no terms of reference in respect of this bill. I wonder whether my fellow members of this committee would agree that if we are not going to be able to complete our consideration of this bill before this session ends, all the evidence and proceedings that have taken place should be made to apply to the committee studying this or a similar bill at the next session? Perhaps we can now decide whether this is agreeable to all the parties in the House of Commons and arrive at a general understanding that the subject matter, the evidence and everything else will be carried over into the next session. I think it is important to consider this suggestion now because at the rate we are progressing it may very well be that we will not conclude our consideration in time to make a report to the house.

Mr. HOWE (*Wellington-Huron*): Mr. Chairman, I am not sure that this committee has the authority to do what Mr. Fisher suggests.

The CHAIRMAN: I do not think we have that authority.

Mr. FISHER: Mr. Howe, I do not think the committee has any official authority in this regard. I am suggesting that we get an unofficial agreement from the government, the minister and all parties that if the eventuality to which I have referred occurs, when the next session commences one of the first items will be the reference of the subject matter of this bill under the same terms to this committee, with the added proviso that the evidence taken at the preceding session be considered relevant to our purposes.

The CHAIRMAN: Mr. Fisher, we must make an interim report to the House of Commons at which time perhaps the house will give us more power to continue at the next session.

Mr. FISHER: Yes, Mr. Chairman, if that suggestion is incorporated in our interim report, and if it is agreeable to all members of this committee I am willing to leave this question to be decided by the steering committee.

Mr. ROCK: Mr. Chairman, Mr. Fisher has been around for quite some time.

An hon. MEMBER: Too long.

Mr. ROCK: Too long, possibly, but he knows the ins and outs of the committee procedure. Perhaps he could indicate what happens when a session is prorogued and a new session commenced. In the event that we prorogue before Christmas and commence a new session in January or February, what would be the procedure in respect of Mr. Fisher's bill? Would he have to submit it again?

Mr. FISHER: The bill would have to be submitted again and it would go into the lottery. It might be given precedence.

Mr. ROCK: Mr. Fisher, if that situation occurs and the members of this committee agree to have the evidence which has been heard at this session made part of our discussion at the next session, would that be agreeable? Is it the responsibility of this committee to make that decision.

Mr. FISHER: It is not the responsibility to do so; it is the responsibility of the House of Commons.

The CHAIRMAN: I have just said that this is within the power of the House of Commons. We must make an interim report and perhaps we can agree on Mr. Fisher's suggestion.

Mr. FISHER: The House of Commons can do anything it desires but the individual cannot.

Mr. REGAN: Mr. Chairman, having listened to this interesting discussion I feel Mr. Fisher has a valid point. However, I do feel we should proceed to hear the representatives of the railway association and make as much progress as we possibly can before this session concludes. I would suggest that as we reach the conclusion of this session we study and debate Mr. Fisher's recommendation, get in touch with the various parties and come to some agreement in this regard.

The CHAIRMAN: Perhaps my suggestion will be acceptable. Let us return on December 3 and invite interested parties to appear before us at that date. Next week we will be involved in the federal-provincial conference. Perhaps I could have a motion to this effect?

Mr. HOWE (*Wellington-Huron*): What business is before the committee other than this bill, Mr. Chairman?

The CHAIRMAN: We must consider bill S-40.

Mr. HOWE (*Wellington-Huron*): That bill has regard to a pipeline; is that right?

The CHAIRMAN: Yes.

Mr. FISHER: That bill will be fairly complicated. I understand there is another bill sponsored by Mr. Rouleau in regard to a bridge.

The CHAIRMAN: That bill has not yet been referred to this committee.

Mr. FISHER: To which committee would that bill be referred.

The CHAIRMAN: To this committee.

Mr. FISHER: Are you sure of that, Mr. Chairman? Previous bills of that type have always been referred to this committee because they affect navigable waters.

The CHAIRMAN: I am not absolutely sure of that fact.

Mr. FISHER: I should like to have this straightened out, Mr. Chairman.

The CHAIRMAN: Our clerk informs me that because a company is involved it will be referred to the committee on Railways, Canals and Telegraph Lines.

Mr. FISHER: Previous bills of this type have been referred to this committee.

Mr. HOWE (*Wellington-Huron*): What is the bill under discussion?

The CHAIRMAN: I think we are considering this question too soon because the bill has not as yet been referred. The bill is to come before the House of Commons on Thursday. Surely we should not consider this at the present time.

Mr. ROCK: A question has been raised as to which committee will study that bill.

The CHAIRMAN: I do not think this committee will have that bill, but we will know for sure on Thursday.

Is it agreeable that we return on December 3 on Bill C-15?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Could I have a motion in this regard?

Mr. FISHER: I so move, Mr. Chairman.

Mr. REGAN: I Second the motion, Mr. Chairman.

The CHAIRMAN: Is it agreed to?

I declare the motion carried.

Motion agreed to.

Mr. Gibbons would like to say one further word.

Mr. GIBBONS: Mr. Chairman and members of the committee, I should like to express our sincere appreciation of your patience and the questions that have been asked. It is our hope, of course, that you will make a favourable recommendation.

Thank you very much.

Mr. GREENE: Mr. Chairman, on behalf of the members of this committee I think we should thank Mr. Gibbons and his associates for the very fair, enlightened and lucid way in which they have presented their evidence, which has been of very great help to the members of this committee. As a new member of this committee I have found that your evidence has been presented in a most excellent fashion, and I hope other witnesses will be able to attain the very high standard that you have set.

Mr. FISHER: Hear, hear.

Mr. FOY: I move we adjourn.

Mr. BERGER: I second the motion, Mr. Chairman.

The CHAIRMAN: We will now adjourn until December 3.

APPENDIX F

Box 642, Biggar Sask. Nov. 4, 1963.

Chairman of the Standing Committee on Railways,
Canals and Telegraph Lines,
House of Commons, Ottawa.

Dear Sir;

We the undersigned Canadian National Railway Employees hereby request and urge you to give your full support to the amendment of Section 182 of the Railway Act as recommended by the National Legislative Committee International Railway Brotherhoods in their brief recently presented to your Committee.

Respectfully submitted by,

V. H. McEachern, Chairman Saskatchewan Legislative Board, Brotherhood of Locomotive Engineers.

(*47 signatures appearing on the original are kept in file at the Committees and Private Legislation Branch*).

APPENDIX G

ASSOCIATED RAILWAY UNIONS
OPERATING AND NON-OPERATING

100 Argyle Avenue,
Ottawa, Ontario,
November 6, 1963.

To—
Members of the Standing Committee,
Railways, Canals and Telegraph Lines.

Honourable Members:

The Minutes of Proceedings and Evidence of the Committee show that there are 60 Members on the Committee.

It is understandable that because many of you are members of several House Committees, it has been impossible for all of you to attend the Meetings of the Committee during presentation of our Brief, relative to an amendment to Section 182 of the Railway Act.

For this reason we are taking this means to solicit your individual support of our proposed amendment to the Act. Further, because many of you have not been able to attend the meetings, it is our thinking that there may be questions which you would desire to discuss with members of our Committee for clarification, and please be assured that we will be pleased to make ourselves available for meetings for this purpose.

Yours very truly,

ARG/rp

A. R. Gibbons,
for Associated Railway Unions.

APPENDIX H

TELEGRAM

Winnipeg, Man., Nov. 10/63

Mr. P. Boulanger, M.P., Chairman,
Standing Committee on Railways Canals and Telegraph Lines,
House of Commons, Ottawa, Ont.

Honourable Sir:

The Manitoba legislative committee, International Railway Brotherhoods, herewith submit a petition in support of the changes requested by the railway brotherhoods to section 182 of the Railway Act.

We wish to draw your attention to the situation in Canada where manpower is now headed toward a showdown with automation.

We believe that it is also management prerogative and duty to keep unemployment down to a minimum. We earnestly believe that an amended section 182 must be retained in the Railway Act so that management would not shirk its responsibility to the displaced employee, whose displacement and dislocation is due to company policy. We therefore request your most sincere support of the suggested changes made by the brotherhoods to section 182 of the Railway Act.

We thank you for your consideration.

Yours sincerely,

G. A. Neil, Chairman, 1302 Valour Road,
Winnipeg 3.

Manitoba Legislative Committee, International Railway Brotherhoods.

Brotherhood Locomotive-Firemen and Enginemen,

Brotherhood of Locomotive Engineers,

Brotherhood of Railroad Trainmen,

Brotherhood of Maintenance of Way Employees,

The Order of Railroad Telegraphers.

APPENDIX I

CANADIAN NATIONAL PENSIONERS ASSOCIATION
Victoria, B.C., Branch No. 6

J. Leary,
2508 Eastdowne Rd.,
Victoria, B.C.

November 14, 1963.

The Chairman,
Railways Committee,
Ottawa, Ont.

Dear Sir:

The addressing of this letter is not very definite but trust that it eventually finds the correct party intended for.

The undersigned has been requested to ascertain the particulars of the Canadian National Railways Pension Fund, viz.

Is this fund a type of Trust Fund, where a maximum amount has been set and earnings of interest over a certain maximum, be returned to the Pensioners in the way of better Pensions. This seems to be the opinion of some of our members.

Could you advise the set up of this fund, and could and would you send a copy of the Act passed that created this Pension Fund. If you are unable to send a copy, could you advise where a copy may be obtained.

We are at the present and have been for the last five years trying to get a better Pension for those who retired on small Pensions, who worked during the, as so often called "The Dirty Thirties" and whose Pensions are disgracefully inadequate to live on.

Not being acquainted with the Act in its formation, our knowledge is only what is obtained in a booklet issued by the C.N.R., and which only gives us the information as to how our Pensions are awarded, and not the preamble and other facts pertinent thereto.

If this letter is addressed to the wrong department or committee, will you please direct it to the correct department or committee.

Thanking you for your reply,

Sincerely,
J. Leary, Secty. C.N.R. Pensioners,

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

TUESDAY, DECEMBER 3, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

From the Canadian National Railways: Mr. W. T. Wilson, Vice-President, Personnel and Labour Relations; Mr. J. W. G. MacDougall, Q.C., General Solicitor. *From the Canadian Pacific Railways:* Mr. R. A. Emerson, Vice-President; Mr. J. A. Wright, Q.C., General Solicitor; Mr. Keith Campbell, Personnel Department.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

29542-8—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS and TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Emard,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*)
Watson (*Châteauguay-Huntingdon-Laprairie*),
Webster—60.

(Quorum 15)

Dorothy F. Ballantine,
Clerk of the Committee.

REPORT TO THE HOUSE

December 4, 1963.

The Standing Committee on Railways, Canals and Telegraph Lines has the honour to present its

Fourth Report

Your Committee recommends that its quorum be reduced from 15 to 10 members and that Standing Order 65(1) (b) be suspended in relation thereto.

Respectfully submitted,

PROSPER BOULANGER,
Chairman.

29542-8—1½

MINUTES OF PROCEEDINGS

TUESDAY, December 3, 1963
(9)*

The Standing Committee on Railways, Canals and Telegraph Lines met at 10:20 o'clock a.m. this day. The Chairman, Mr. Prosper Boulanger, presided.

Members present: Messrs. Beaulé, Berger, Boulanger, Cowan, Crossman, Crouse, Gauthier, Godin, Horner (*Acadia*), Howe (*Wellington-Huron*), Lamb, Matte, McBain, Orlikow, Pascoe, Regan, Ryan, Rynard, Smith, Tucker, Webster—(21).

In attendance: From the Canadian Pacific Railways: Mr. R. A. Emerson, Vice-President; Mr. J. A. Wright, Q.C., General Solicitor; Mr. J. E. Paradis, Q.C., Solicitor; Mr. John C. Ames, Assistant to the Vice-President; Messrs. Keith Campbell and Jack Ramadge, Personnel Department. *From the Canadian National Railways:* Mr. W. T. Wilson, Vice-President, Personnel and Labour Relations; Mr. J. W. G. MacDougall, Q.C., General Solicitor; Mr. A. J. Bates, Manager, Industrial Relations (Research); Mr. E. L. Murray, Labour Relations Research Officer; Mr. B. D. Brisson, Research Analyst; Mr. R. Boudreau, Solicitor.

The Committee resumed consideration of Bill C-15, An Act to amend the Railway Act (Responsibility for Dislocation Costs).

As previously agreed, the following was taken as read and appears as an Appendix (*See Appendix J*):

A letter from Erwin F. Schmidt, Recording Secretary, Lodge No. 597, Brotherhood of Locomotive Firemen and Enginemen, Winnipeg, Manitoba.

Mr. Emerson and Mr. Wilson were questioned, assisted by Mr. MacDougall and Mr. Wright.

At 12:10 p.m. the Committee adjourned.

AFTERNOON SITTING
(10)

The Committee met at 3:55 p.m. this day. The Chairman, Mr. Prosper Boulanger, presided.

Members present: Messrs. Addison, Armstrong, Beaulé, Berger, Boulanger, Crossman, Crouse, Emard, Fisher, Gauthier, Godin, Guay, Horner (*Wellington-Huron*), Irvine, Lachance, Lamb, Matte, McNulty, Nixon, Orlikow, Regan, Rideout, Ryan, Tucker—(25).

Also present: Mr. Charles Cantin, M.P., Parliamentary Secretary to the Minister of Transport.

In attendance: The same as at the morning sitting.

* Meeting No. 8 concerns the consideration of a Private Bill (S-41) in respect of which the Proceedings were not printed.

The Committee resumed consideration of Bill C-15, An Act to amend the Railway Act (Responsibility for Dislocation Costs).

Mr. Emerson and Mr. Wilson were questioned assisted by Mr. Campbell.

At 4:50 p.m., the Chairman left to attend the sitting of the House, and the Vice-Chairman, Mr. McNulty, took the Chair.

The members resumed the questioning of the witnesses.

At 5:05 p.m., Mr. Lamb drew the Committee's attention to the fact that a quorum was not present. The Committee thereupon recessed for five minutes until a quorum was obtained.

On motion of Mr. Ryan, seconded by Mr. Beaulé,

Resolved,—That this Committee sit at 8:15 p.m. this evening.

It was moved by Mr. Beaulé, seconded by Mr. Gauthier, that the quorum of the Committee be reduced from 15 to 10 members. The Vice-Chairman did not put the question as at 5:45 p.m. the members adjourned to attend a vote in the House.

EVENING SITTING
(11)

The Committee met at 8:15 p.m. this day. The Chairman, Mr. Prosper Boulanger presided.

Members present: Messrs. Armstrong, Beaulé, Boulanger, Cameron (*Nanaimo*), Crossman, Emard, Fisher, Gauthier, Howe (*Wellington-Huron*), Lachance, McNulty, Orlikow, Regan, Rideout, Ryan, Tucker—(16).

In attendance: The same as at the morning session.

The Committee resumed consideration of Bill C-15, An Act to amend the Railway Act (Responsibility for Dislocation Costs).

The Chairman put the question on the motion of Messrs. Beaulé and Gauthier on which the members had not been able to vote at the afternoon sitting, namely, that the quorum of the Committee be reduced from 15 to 10 members. The motion was resolved in the affirmative on the following division: Yeas, 10; Nays, 2.

The Committee resumed its questioning of the witnesses.

At 10:10 o'clock p.m., the Committee adjourned to Tuesday, December 10. Today's witnesses were requested to appear again at that meeting.

Dorothy F. Ballantine,
Clerk of the Committee.

EVIDENCE

TUESDAY, December 3, 1963.

The CHAIRMAN: Gentlemen, we now have a quorum. I would first like to introduce to you our new Clerk, Miss Ballantine.

We are now resuming consideration of Bill C-15, an act to amend the Railway Act (responsibility for dislocation costs).

Today we have the association of railways. The first and main witness is Mr. R. A. Emerson who is the chief spokesman for the association of railways. He is the vice president of the Canadian Pacific Railway. Also present for the Canadian Pacific Railway is Mr. J. A. Wright, Q.C., general solicitor; Mr. J. E. Paradis, Q.C., solicitor; Mr. John C. Ames, assistant to the vice president and Messrs. Keith Campbell and Jack Ramadge of the personnel department.

For the Canadian National Railways we have Mr. Wilson, vice president of personnel; Mr. G. W. G. MacDougall, Q.C., general solicitor; Mr. Bates, manager, industrial relations; Mr. Murray, industrial relations officer; Mr. Brisson, research analyst and Mr. Boudreau, solicitor.

All these people are here as witnesses. I think we should proceed by first asking if you all have the report which was read to you a few weeks ago by Mr. Richardson.

The meeting is now open to questions or any special presentation if a witness has anything to add to what he said the last time.

Mr. R. A. EMERSON (*Vice President, Canadian Pacific Railway*): Mr. Chairman, we have nothing to add at the present time and we are ready to answer any questions.

Mr. BEAULÉ (*Interpretation*): I should like to point out that the committee has had a number of sittings concerning this Bill C-15 and it has always come back to the same questions which are three in number: what amount is involved, what regions are involved and what changes can be expected in the next few years. We have here with us this morning representatives of the railways and the railway associations. I do not know which witness will reply to my question but these three questions must be answered, namely, what changes are to be expected in the next two years, what sector will be most affected, and what amount of money will be involved? If no reply can be obtained to these questions, then there is nothing further to discuss. We have been talking around this bill in this committee and we have always come back to the same questions.

Mr. EMERSON: Mr. Chairman, we would like to be as helpful to the committee as possible in this and in all other matters, but the questions posed by Mr. Beaulé are ones to which I am afraid there is no easy or ready answers. If I may put it this way, it involves peering into the mists of the future and perceiving things that cannot be perceived. To illustrate, let me say that if you look back over the past 10 years at the very large number of changes that have taken place in Canada and at their effect on the railway and whether the changes in the next 10 years will be of the same order, I suggest it is entirely beyond the comprehension, of anyone. Let me illustrate this point. Much of it, I suggest, depends upon the action of the gentlemen in this room and of your colleagues in parliament. In the

last 10 years we have seen in Canada the construction of the St. Lawrence Seaway which involved an expenditure of very large sums of public money to provide alternate transportation facilities which necessarily involved the removal of traffic from the railways. In the same period of time approximately we have seen the expenditure of, I think, nearly $700 million on the construction of the trans-Canada highway which, by covering a wider territory, had a very similar effect. In the same period of time also we have seen the construction in many points across Canada of vast airfields and the expansion of air transportation facilities. These things necessarily involve, in one degree or another, the draining of traffic from the railways, consequently, the possible elimination or redundancy, if you want to use that term, of some railway lines.

Another point which I have to emphasize here is that I can see no one who can make a prediction in the future concerning the trend of the railways because increases in the cost of railway labour, in terms of both wages and fringe benefits, inevitably result in some of the services of the railways being priced out of the market. They become more expensive to produce than we can sell them for.

These are two of the immediate and most direct factors that occurred to me and they are the reason why it is impossible to say what changes may occur in the next 10 years.

There are two other factors—and I do not want this to be taken as a complete list—which will readily occur to you as also obscuring the future. One of them is, what is going to be the development of Canada and what form or shape our industrial and economical development is going to take over the next 10 years. That is also going to have an effect on the movement of goods and people of which the railways are one of the carriers. Another factor is the extent of technological change, and I am referring to the railway industry itself and what effect it may have on employment.

To pass on to the next question for a moment if I may, as to which regions would be most affected, perhaps the only indication would be found in the report of the McPherson royal commission on transportation which suggested, although it did not directly say so, that perhaps the largest number of branch lines of the railways which should be considered as candidates for abandonment would be in the prairie area. I think that is an interpretation that one would place upon the report, not exclusively but probably to a greater extent than in other areas generally speaking.

As to the third question which I think was the one which you spoke of first —I reversed the order—concerning the amounts that are involved, I am extremely sorry but I think it is quite impossible to make any approximation at all. I think it could be quite a large sum, but irrespective of the amount, my submission would be that it is wrong in principle, and therefore whether the cost involved was one dollar or a million dollars the amendment of this bill as suggested would be wrong in principle and should not be proceeded with.

Mr. BEAULÉ (*Interpretation*): I thank Mr. Emerson for his reply but, first of all, I know perfectly well that the railways do consider their projects two, three, or four years in advance of their realization. I know that they are considering projects for the future at the present time. It is easy enough for the railways to tell us what regions will actually be affected. I realize it is an internal matter for the companies to make the decisions, but they could give us this information. Secondly, suppose this bill does pass through parliament, then a certain amount of money would be involved. What form is it going to take? Is it going to take the form of payments to the companies? Are they going to come asking for subsidies, or will there be freight rate or passenger fare increases charged by the companies themselves?

Mr. EMERSON: Mr. Chairman, as Mr. Beaulé has said, the railways of course do consider projects in advance, but we only consider those projects for which we can perceive the future. We do not consider projects obscured by the mists of the future, as I said a few moments ago. We may have specific instances of projects that involve planning two, three or four years ahead. Many other projects come up at much shorter notice and only involve an advance decision of a few months. As I have said, we would like to be as helpful as possible, but this whole question, in the form in which it is put, is so interwoven with an enormous complexity of factors, that I assure you, sir, that it is quite impossible for anyone and for any group over any conceivable period of time to come up with a definitive answer in the terms that you have given.

The next question as to the money involved and where it would come from can be answered by me in this way. As I understand it the bill or the proposed amendment to the Railway Act would put an onus for certain payments on the railway companies, and it would therefore come from the railways and confer a corresponding benefit upon the employees. Where the railways get that money is of course not disclosed by the bill. It might conceivably in the broadest terms come out of the increased charges for the handling of freight or passengers if, when and where competitive conditions would allow us to increase rates. It might, on the other hand, very likely come out of the pockets of the owners of the railways. This is of course the case of the Canadian Pacific Railway shareholders and of the Canadian National Railways shareholders or taxpayers of Canada.

Mr. BEAULE (*Interpretation*): The reason why I put these questions is partly that I wanted to act as devil's advocate so as to get the information for the benefit of the committee.

I have one last question to put. While thanking Mr. Emerson for his answer, I would like to know what the Canadian Pacific Railway thinks of Bill C-15.

Mr. EMERSON: Mr. Chairman, I can answer the last question very shortly. I do not think much of it. However, our reasons of course were delineated at quite some length in the submissions of the railway associations of Canada of which the Canadian Pacific Railway is a member, and we are in complete accord with that submission. I can expand on that just as much as you like, but it is all there before you.

Mr. HORNER (*Acadia*): Mr. Chairman, I will keep my questions simple and brief. I would like to direct my first question to abandonments. Is it not a fact that in the case of abandonments the board of transport commissioners have to hear the case and the railways have to pay what the commissioners rule to be just and fair to all parties?

The CHAIRMAN (*Interpretation*): May I say a word for the benefit of our distinguished colleagues on this committee who are French speaking? Do you feel that it would be a way of saving the committee's time not to have everything translated word for word but simply when you do not understand a particular word or phrase you could give me a sign with your hand if it is agreeable, or would you prefer to continue with the complete translation?

Mr. BEAULE (*Interpretation*): Mr. Chairman, I would point out that if we do not have the benefit of simultaneous translation in this committee then we, who are French speaking, should not be expected to suffer for that fact.

The CHAIRMAN: I was only trying.

Mr. EMERSON: Mr. Chairman, in respect of the last question, Mr. Horner is quite right that in the event of the abandonment of a railway line the railway has first to make application to the board of transport commissioners for authority to abandon, and to serve notice to all the interested parties. The

board in due course arranges a hearing, if that is necessary, at which the railway and all the interested parties make their submissions. The board may institute its own inquiry into the matter. Finally, after due deliberation, they will render an order which either may approve or disapprove the abandonment, or approve it conditionally on certain terms. In my recollection there has been no instance of one that involved a payment of the type that is envisaged in this bill by the railways. However, I would point out that the very fact that the railways are a regulated industry, and the very fact that they have to go through this procedure which is a very time-consuming one with the board of transport commissioners, does indeed confer a very substantial benefit on the employees. In an ordinary industrial business undertaking, if they came to a conclusion that a certain operation or service was unremunerative and had no prospects for future improvement, they could abandon it or discontinue it forthwith. However, by virtue of the fact that the railways are a regulated industry, this imposes a very long time lag between the time when an abandonment is mooted and the time when it is actually carried out.

As an illustration let me give you a recent occurrence that involved the abandonment of a passenger service on the part of the Canadian Pacific Railway. This abandonment also required the approval of the board of transport commissioners. It was the abandonment of our passenger service running through southern British Columbia from a point called Spences bridge, which is on the mainland roughly 200 miles east of Vancouver, through to Lethbridge and Medicine Hat. In September, 1961 the company instituted a study to determine the relative profitability or unprofitability of the line and the relationship between the cost and the revenues of this operation. This study took a considerable time because of the fact that necessarily all of this data had to be submitted to the board of transport commissioners and therefore was prepared in much greater detail and to a larger extent than it would in the case of a normal commercial enterprise which would make their own assessment of it, come to a conclusion and proceed forthwith. Our determinations are always subject to attack, cross-examination and testing by the board of transport commissioners, and therefore have to be prepared in much greater detail which takes a longer period of time. Notwithstanding, this study which was commenced in September of 1961 was carried out as a result of an application to the board of transport commissioners for the discontinuance of the service in June of 1962. In October 1963, a year and some months later, the board, after going through the process of hearings, after deliberating on the matter and visiting this area of the country, finally issued an order authorizing the company to discontinue the service effective not before January 1964.

Now, here was an application that commenced in our own minds in September 1961, and it was officially placed before the board in June 1962, and finally resolved to the point where we were authorized to discontinue it after January 1964. Of course, in the meantime this service will be continued. It involved—and I have not the exact figure here—a loss of the order of $500,000 per annum in excess of expenses over revenues. In the meantime, of course, the employees involved had in effect full protection because they continued the service in the normal way.

Mr. HORNER (*Acadia*): I have a supplementary question, Mr. Chairman. I think you stated, sir, that the board has never ordered compensation to be paid. I am referring here to line abandonments. What was the case in the recent line abandonment in south eastern Saskatchewan a year or two ago? I think it involved the case of the C.N.R. running parallel to the C.P.R. Was an agreement reached between the railroad and the interested businessmen in the town along that line?

Mr. EMERSON: Perhaps Mr. MacDougall could answer that question.

Mr. G. W. G. MacDougall, Q.C. (*General Solicitor C.N.R.*): In reply to Mr. Horner's question I have to say that while I had considerable acquaintance with all the abandonment applications of the Canadian National Railways over the last 10 years, I am not familiar with the one of which you speak and I certainly do not know of any case where there has been any arrangement made with the municipalities or between railroads to share costs or to pay any dislocation expenses of that kind. The normal procedure is that the board looks on one side at the burdens placed on the railway, and on the other side at the burdens which may be placed on the public, which includes our employees, the businesses and the people who are served by the railroad. They weigh these two factors to see whether they should allow an abandonment or not. I know of no case where compensation was paid or arrangements made.

Mr. Horner (*Acadia*): Is it not a fact that in the early establishment of western Canada the railroads enticed people to settle in towns which formed along their lines?

Mr. MacDougall: I do not know that I would agree with that.

Mr. Horner (*Acadia*): There are still many towns in western Canada which were formed along the railway lines.

Mr. MacDougall: The railroads encouraged the settlements in the west.

Mr. Horner (*Acadia*): Do you not believe that they have a moral responsibility towards the people who were so enticed?

Mr. Emerson: I would certainly like to comment on that question. Certainly the railroads, in western Canada particularly, were built to open up the country, and certainly the building induced people to come in and settle the country, but you have to have regard for the events that have occurred since. Much has changed since that time.

Mr. Orlikow: How about events that happened before?

Mr. Emerson: Since the settlement of railway communities various levels of government have constructed extensive systems of highways which have had the effect of draining very large amounts of traffic away from the railways. I was born in that country so I know something about it. I lived there for a good number of years. I can well remember when almost every branch line had its passenger train a couple of times a day, or more frequently on occasion, sometimes less, and people used to travel. They had a freight train every day which moved all sorts of goods back and forth. All that is gone. People now travel largely by automobile, the merchandise is moved by truck, and all that is left for the railways are bulk commodities such as grain, in some instances fuel, and even that is diminishing very rapidly with the advance of gas lines and liquid fuels. It is not a case of the railways abandoning the communities; it is the case of communities abandoning the railways.

May I just make one more point. This of course is something of a digression, if I may say so, from the question of this bill. The bill does not involve compensation to communities, as I understand it. It involves compensation to employees, which is quite another subject.

Mr. Horner (*Acadia*): I have one more question with regard to employees and the original intent in the setting up of the Railway Act in section 182. Would you agree that to some extent we are all here to clarify section 182, or we hope to? Would you agree that to some extent now as 182 stands the railroads have an obligation to the employees in the case of the abandonment of terminal points or divisional points?

The Chairman: Mr. Horner, have you any other questions or would you like this question answered now?

Mr. HORNER (*Acadia*): Mr. Emerson can answer my question now, but I have another supplementary question to follow.

Mr. EMERSON: Mr. Chairman, in regard to the question of the interpretation of section 182 of the Railway Act as it now stands, I do not want to be in the uncomfortable position of an engineer trying to interpret the law, so with your permission I will ask my colleague, Mr. Wright who is general solicitor of the Canadian Pacific Railway, to deal with that matter.

Mr. J. A. WRIGHT, Q.C. (*General Solicitor, Canadian Pacific Railway*): Mr. Chairman, I do not know whether I should be in the position here of interpreting for this committee this section of the Railway Act. The Railway Act has been the subject of interpretation by the board of transport commissioners and by the Supreme Court of Canada. The case involving the New York Central abandonment from Cornwall was before the committee earlier. In that case it was held that the section could not be applied to that particular situation because it involved an abandonment of the whole line. It did not apply to that, but certainly, I should think, there is no question but that it does apply to the other situations which might arise where complete abandonment is not involved.

Mr. HORNER (*Acadia*): You stated, sir, that to some extent section 182 does apply wherever there is not a complete abandonment. We are here to clarify section 182. I am referring to the abandonment of the divisional point in Big Valley, Alberta, in the 1920's. This was held up and is still being held up as a prime example of the railways getting around section 182. It being a fact that the committee is here to clarify the act, and the railway admit apparently some responsibility under section 182, we should make it impossible for the railroads to deviate from the actual intent of section 182, and I hope that you would agree with me that in the C.P.R.'s action with regard to the Big Valley division point back in the 1926 to 1929 period they did deviate from the intent set out in section 182.

Mr. EMERSON: Mr. Chairman, since Big Valley is not and has never been a point on the Canadian Pacific Railway, I am not familiar with the circumstances and am therefore not able to reply to the question. I think Mr. Horner is under a misapprehension.

Mr. HORNER (*Acadia*): Is there a representative from the C.N.R. who could speak to that?

The CHAIRMAN: Yes, we have six representatives from the C.N.R.

Mr. MACDOUGALL: Yes, Mr. Chairman. As the Chairman said earlier, Mr. Wilson the vice president of the Canadian National Railways is here, and I am here as the general solicitor to try to help the committee. Speaking about the Big Valley situation, it happened back in the 1920's, and if I recall the circumstances at that time correctly, Big Valley was a major terminal on the Canadian National, and in the normal processes that occur all the time on the railway, personnel had been moving back and forth between different points. Some personnel were taken away from Big Valley. I think the numbers were fairly substantial. However, the point itself was not closed as a terminal, and the action in Big Valley which you referred to, sir, is that at that time section 182 was not applied to those employees who moved from Big Valley. The board of transport commissioners dealt with that case and with the application by the employees to have section 182 applied. The board held that the section did not apply because the act as it is now worded specifically refers to the complete closing out of a divisional point or terminal. They said that since the railway was not closing it out completely the act did not apply.

Unfortunately, over the years, people said that this was the railroad trying to get around section 182 because the railroad took a lot of employees out and left a few there. I cannot comment on it from the point of view of the policy

of the railway company at that time. The fact is that some employees did remain. The board examined the case and found that the section did not apply. To understand that decision you must remember this, that section 182 was never put in the Railway Act as a code to provide general protection for all employees.

If you look at the judgment of the Supreme Court of Canada where they analyse the historical development of section 182, you will see that it is a patchwork type of job which started with a simple reference in the first words of the section saying that the company shall not make a change, alteration or deviation of the railway until the provisions of section 181 are fully complied with, and it deals with the plans, profiles and various documents to show what changes or deviations of the line are. Consequent upon something which occurred, some words were added to that section, and the Supreme Court of Canada found that they were designed to try to protect against the situation where, in the changing or altering of the railway services, a large terminal or divisional point was moved to another place because the railroad decided that their operations would be better conducted if they changed their method of operating. They put in a provision to provide that in such circumstances these employees should not be adversely affected and that compensation should be paid to those employees who by that action were forced to change their residence. That seems to be perfectly logical. However, people have taken the view that this is a code which should apply in all cases where men are moved because of the action taken by the railway to change their operation. The intent was never that. The intent was to ameliorate the large problem that occurred through a change or deviation of the line which saw the movement of a whole terminal or the movement of a whole divisional point. This was the decision of the board in the Big Valley case.

The question of the moral obligation is another matter, but the legal obligation was decided by the board and fully explained by the Supreme Court of Canada judgments, that it never was intended to be a code.

Mr. HORNER (*Acadia*): How many times has the board ordered payment of compensation under section 182?

Mr. MACDOUGALL: Mr. Chairman, the direct answer to Mr. Horner's question of how many times the board has ordered compensation to be paid under section 182 is that to my knowledge there have not been in my day any applications to the board by anybody under section 182 except this one resulting from the New York Central case which went to the Supreme Court of Canada. That does not mean that compensation has never been paid under section 182. There are many cases where employees have been dealt with, perhaps not in terms of the specific words of section 182 which are general anyway and which say that the board may specify what compensation should be paid. The facts are that the railway has many examples to show what it has done to look after the employees when movements have occurred.

I would like Mr. Wilson, who is here, to speak about the abandonment situation which you spoke of earlier, and also to tell you what we do in cases where a large number of employees are affected, such as when we moved employees when we closed certain shops in Moncton. We were dealing there with a particular problem of serious inconvenience, expense and difficulty to our employees because of changes in our working conditions, and we dealt with that. The line abandonment situation, which I know is of great concern particularly to people of western Canada, has been examined with great detail because the Canadian National Railways has more uneconomic lines and sends more applications to the board of transport commissioners than the Canadian Pacific Railway. We made a detailed examination, and I

would like Mr. Wilson, if he would, to tell you something about that and about what we foresee the effect of this will be.

The CHAIRMAN: Does the committee wish to hear Mr. Wilson right away?

Mr. HORNER (*Acadia*): I would very much like to hear Mr. Wilson speak on abandonments.

The CHAIRMAN: I wish to ask you whether you would prefer to hear Mr. Wilson right away or would you like to ask a few more questions, Mr. Horner?

Mr. ORLIKOW: I am sure that Mr. Wilson will not be able to answer all the questions at once. We might as well ask him to answer those questions that were asked a few moments ago.

Mr. MACDOUGALL: I was not suggesting that Mr. Wilson might make a summary. That is not the intent of what I suggested. I thought that he might explain, in the context of the line abandonment problem, just what the Canadian National position is and how we foresee that this will be carried out. It is a general comment on that specific point.

Mr. W. T. WILSON (*Vice President, Personnel and Labour Relations, Canadian National Railways*): Mr. Chairman, I would like to associate the Canadian National Railways with many of the remarks made by the vice president of the Canadian Pacific Railway, Mr. Emerson, at the beginning of this meeting. I would also like to comment on what Mr. Beaulé said that in the railway circles it is usual for considerable planning to be made in the changes in railway operations, changes in the shops, line abandonments and that type of thing. In the Canadian National we have given some very intensive thought to this problem and indeed have written policies for procedure in the event of the dislocation of employees in line abandonment. These policies have been approved by our board of directors and they are published.

Mr. Gordon has quoted extensively from those policy statements before the railway committee, and I have complete details of some of those policies here. Our approach to the problem is this, that we do not feel that as good employers it is entirely necessary for us to be bound by a statute to do the things that a good employer does in dealing with employees. For example let us take the case of the Stratford locomotive power shops which became surplus. They were shops geared to the reconstruction and repair of steam locomotives, and with the coming of diesels Stratford became surplus. Our purpose is to give as much advance notice as possible to the community, to the employees and to the businessmen as well as to all concerned before going into a change. At Stratford the advance notice was given five years ahead of time in some cases. Concurrently we sought out through our industrial department another employer, another industry called the Cooper-Bessemer Limited. They came into Stratford and they leased on a very advantageous basis part of our plant from us. We made arrangements, in collaboration with and in co-operation with the unions and brotherhoods, to allow the Canadian National employees to work for Cooper-Bessemer on the basis that eventually they would be employed by Cooper-Bessemer if their operation was a success. Last week Cooper-Bessemer exercised their option to buy that entire property in Stratford, and today 80 per cent of their employees are former Canadian National employees. This is not something that happened just over-night; it required a lot of thought and planning of the counselling services, of our personnel staff and the co-operation of the unions and brotherhoods to bring this about. I think this is an example of what can be done and should be done by a good employer to look after the

interests of his employees who are about to lose their employment or who are to become surplus, without being forced to do it by statute.

Another example was in the city of Moncton where it was decided that we could more efficiently handle our passenger car repairs at the Point St. Charles shops in Montreal and in Winnipeg. There we gave the employees ample advance notice and invited employees of the various crafts involved to move at our expense to Point St. Charles or to Winnipeg. We sent teams of our employment officers to interview people to decide who was going to move and who was not going to move. Finally the move took place. Some people whose roots were pretty deep in Moncton decided not to move; others decided that they would. We moved the furniture of those people who decided to move from door to door at our own expense. We provided the employees with sleeping accommodation; we put a sleeper on the sideline to be picked up late at night so that they could easily go to bed. They were provided with meals, their wages were paid, their luggage was transferred in Montreal to a western train, they were met in Winnipeg and they were assisted in unloading their furniture and in putting it in their homes. This move was accomplished with very little trouble to them. We were congratulated in writing by the brotherhoods—by one of them particularly—for the arrangements made.

I make these points to illustrate that if an employer the size of the Canadian National Railways or the Canadian Pacific Railway accepts his responsibilities, he need not be forced by legislation to do the things which a normal employer should do.

The CHAIRMAN: I would like the committee and the witnesses to acknowledge the presence of a very distinguished visitor whom we have with us this morning. I refer to our Deputy Speaker, Mr. Lamoureux, an ex member of the railway committee.

Mr. WILSON: Mr. Chairman, speaking of Stratford, the number of employees involved there was originally about 500, that is at the time when it became apparent that Stratford was going to become surplus. Last week when Cooper-Bessemer exercised our option to buy our property and expand their facilities for the manufacture of heavy equipment, that number went down to 180. Because of the exercise of seniority and because of the various other steps that we have taken in assisting those employees I feel confident that very few who want alternative employment will be deprived of it.

Speaking of line abandonments, there seems to be a feeling in some parts of the country that when the railways apply for permission to cease their services on a particular line, right away a large number of people are going to be thrown out of work. It just does not happen that way. We have made a particular study, for example, of the applications that we have for line abandonments in Saskatchewan and in the Assiniboine area. This is a matter of record before the board of transport commissioners, and we know the number of employees involved. I have their names, their ages and the date of their service, where they came from and what seniority rights they are likely to have. In some cases the seniority rights are quite restricted, in other cases they are fairly broad. This depends upon the particular arrangement we may have in our working agreements with a specific union.

To go back to what Mr. Horner said a month or so ago in this committee when he commented that perhaps part of the trouble that we all experience here is that there are a lot of unions, I would say that we have 35 unions in the Canadian National Railways and in many cases the seniority provisions are rather narrow. However, within that general framework, the exercise of seniority available to these employees and other steps that we are taking, plus normal attrition, we feel will take care of the 600 employees who will be involved if and when those applications for abandonment in the Saskatch-

ewan and Assiniboine areas are granted. We are talking of abandonments not next week or next year but if what we contemplate is likely to come about in the implementation of whatever legislation flows from the McPherson royal commission it is likely that these abandonments will be phased out over a period of maybe eight, 10 or 15 years. In this instance we are reasonably sure that of the 600 men involved practically all of them will have been looked after by normal attrition within five years' time. So that we may, in some cases, if we continue to operate those branch lines, find it necessary to hire people rather than be faced with mass lay-offs. This can be and has been documented. You can always find a single case of a young fellow somewhere complaining of hardship.

Mr. ORLIKOW: Not a single man, thousands of them.

Mr. WILSON: I think I mentioned the figure of 600 people in these applications for abandonment in Saskatchewan and parts of Manitoba. These were not thousands. I am prepared to assert that attrition alone will take care of the vast majority of those people within five years.

Mr. ORLIKOW: Mr. Chairman, I will try to keep my questions fairly short. It seems to me that the company is saying two separate things: first of all that the passage of this bill would impose a special penalty on them, which other industries do not have to look after, and secondly, that they already look after their employees. These are the two general fields which we have to look at.

Now, the company today and in their brief have said that they are good employers, that they look after their employees, and two cases were described. I am not going to suggest that they do not try, neither am I going to suggest that they can keep people on indefinitely. At the same time I think the committee has a right to know how many cases there are where the company did not do anything for the employees. We have heard about Moncton and we have heard about Stratford. These are fine, however the fact is that there are many other cases. Let us, for example, take one craft, the machinist. I am speaking from memory but in about 1945 there were 15,000 railway machinists in Canada; now we are down to somewhere in the neighbourhood of 5,000. The fact is that Brandon, Rivers, Wainwright, Jasper, Penticton, Revelstoke, Medicine Hat and Calgary—these are just in the west—where you had large repair shops with lots of machinists in the early years, are places that have very few employees. Did those employees get any compensation for moving, if they had to move, or if they were laid off? I would like to hear about it.

Similarly, with the trades at Sioux Lookout and a great number of places in western Ontario where you put in diesels, these people had to move. People such as engineers, trainmen and so on were transferred from Sioux Lookout to Winnipeg. Did they get anything for moving or did they get anything because they could not sell their homes or else sold them for very little?

The company is now making a very serious proposal that the place from which they start should not be Winnipeg but should be Melville, so that people will have to transfer there also. Who is going to pay for that?

The CHAIRMAN: In order to be fair to the witness I would like to suggest that if you have a question to ask you should stop after asking the first question and let the witness answer you and then continue with the next one. You asked at least three questions plus making a speech.

Mr. ORLIKOW: It is really only one question with illustrations.

The CHAIRMAN: Would you prefer to give an answer now, Mr. Wilson?

Mr. ORLIKOW: I have finished.

Mr. WILSON: Mr. Chairman, the impact on the machinists and the shop forces was great. Mr. Orlikow I suppose was referring to what happened fol-

lowing dieselization. These are historical facts. These are actions that took place some time ago. I understood that the committee was considering an answer to the questions posed from time to time on what the impact is going to be from here on in, that is in the future. We are now hiring machinists and we cannot get enough of them. We have put out applications for machinists at most places where machinists are hired.

On the matter of run throughs which Mr. Orlikow mentioned and which are now temporarily suspended, we were going to start in the west at Jasper and have run throughs going east through Edson to Edmonton and so on. Not one home terminal was involved in those run throughs. What we were eliminating were turn-around points. There is a possibility that a few running trades of employees did live at places which are turn-around points and not home terminals and so they went back and forth, but there were very few employees who could say that as a result of these lengthened sub-divisions, run through sub-divisions, that their town was wiped out and they had to sell their property and move some place else. This is just not so.

We have heard of cases where owing to changes in railway operations employees have exercised their seniority and moved to another point. This is provided for in the collective agreements, when a man bids voluntarily for a job at a distant point. Some of these men consider themselves very fortunate to be able to enjoy the seniority and to be able to hold work at a distant point. However, I think that the whole picture of the disruption of communities in the west as a result of the proposed run throughs by the Canadian National Railways was completely distorted.

Mr. ORLIKOW: Mr. Chairman, it is of course very easy to say that what has happened in the past is history and that therefore we do not have to talk about it. However, maybe we ought to think about the individual cases. I can tell the C.N.R., if they do not know it, that I can take them to Winnipeg and show them hundreds of people with 10 or 15 years' service with the railway who in their forties were laid off. I think it is important to look at the past because the dieselization may be over but there are other programs. What will be the effect of building a freight yard such as the one in Symington? What effect will that have on the present employees? What effect will the master agency plan have on the employees? Is it going to wipe out half the employees in the telecommunication industry? The employees are very worried. If that is what is going to happen will the railways say that this is part of a technological change and that they cannot help it, or are they prepared to do something? If they are not, then I think we need this bill.

Mr. WILSON: What I am trying to convey to the committee is this, that the railways are good employers and recognize their responsibilities. Mr. Orlikow said that he could take me to places in Winnipeg where there are hundreds of people laid off in their forties. This is a situation we are struggling today to correct. I can take you to places in Winnipeg, Moncton and Montreal where a man with 40 years' service with the Canadian National Railways is laid off because we could not move him 50 feet away to take the place of a man who only has two years' service because of the restrictions in the craft union lines and in the seniority arrangements. To overcome, or to partly overcome some of those hardships, the non-operating railway employees—and that refers to the machinists, the people in the shops, the people in the express freight as well as the telegraphers and section forces, the non-ops—were taken care of at the last negotiations when the railways and the unions accepted the unanimous recommendation of the board of conciliation to set up what is called a job security fund.

We pay into that fund, for about 59,000 non-operating employees which we have across Canada, one cent for each hour paid for, not worked but paid

for. That fund, at the end of 1963, the end of this year, will be approximately a million and a quarter dollars. That fund is to be used for severance pay, for supplementary unemployment insurance benefits. The references which are in the master agreement were to provide a severance payment for employees permanently laid off. Those were the words, to provide supplementary unemployment benefits for those who were laid off or subject to recall. At the moment this is a matter that is under negotiation, and not a farthing has been paid out of that fund on any of the railroads.

As I said, our fund alone in the Canadian National Railways will, at the end of this year, be a million and a quarter dollars. That money is available for these purposes. The fact that an individual is laid off in one craft and has narrow seniority rights and is reluctant to go in and become a junior employee to a man who was hired two years ago is understandable, but it has put us in a bad light as a bad employer. People say, "how do you permit a thing like that to go on? A man with four years' service with your company is out of work and a man you hired a year before last works every day?" This is beyond our control at the moment. In respect of thousands of employees on express freights we have situations where express staffs were in one end of the shed and freight staffs were at the other end of the shed with a dividing line of seniority between them so that a freight man at one end could not bid for a job at the express end and we were hiring new men off the street to go into the express while laying off men with long service in freight. We sat down with the union concerned and integrated those agreements and widened those seniority territories so that now those men have wider job opportunities and there are fewer lay-offs now and there will be fewer in the future.

Mr. BEAULÉ (*Interpretation*): Mr. Chairman, I would like to move adjournment.

The CHAIRMAN: I understand Mr. Beaulé moved we adjourn. I would like the committee to know we have two more speakers, Mr. Matte and Mr. Regan. I would like the members to do their best to be on time because we have seven committees meeting this afternoon.

We will meet this afternoon in room 307 in the west block.

The meeting is adjourned.

AFTERNOON SITTING

TUESDAY, December 3, 1963.

The CHAIRMAN: Gentlemen, we have a quorum now. When we left off this morning I think Mr. Orlikow had one more question to ask.

Mr. ORLIKOW: A few more. I would like to ask Mr. Wilson whether he could be more specific than he was with regard to what was done in respect of the classes of employees in the type of case I mentioned just before we adjourned; that is, the question of these people who were laid off because of the dieselization program, and so on. With the exception of the two cases he mentioned in Saskatchewan, was there a form of compensation or remuneration where a person was laid off?

Mr. WILSON: Mr. Chairman, there was not any program of remuneration for people laid off at that time. They had a provision under the wage agreements which would allow them to exercise their seniority if they were able to do so, and to move to another place where they had sufficient seniority to hold work. Those are the general arrangements which have been in effect in the railway business ever since the railway business started in this country.

At the same time we had a number of re-training programs in which we offered assistance to the laid off people to qualify for other jobs. Much of that

was done. I believe a statement was made some time ago in this committee over the past couple of months—I have forgotten when or who made it—that there was no training done at all by the railways.

Mr. BEAULÉ: In this committee?

Mr. WILSON: Yes. Am I wrong?

Mr. BEAULÉ: I never heard of that.

Mr. WILSON: Then I withdraw that; it may have been in another committee. I wish to point out, however, that we had one of the most extensive training programs when the switch came from steam to diesel, both on the Canadian Pacific and the Canadian National Railways and on all the railways in Canada to qualify men as engine men in charge of these locomotives. We have had a wide variety of other training programs.

Specifically, there was no program for payment of compensation or remuneration to employees who were laid off in the situation Mr. Orlikow mentions.

In addition to that, may I say that on the Canadian National Railways—and perhaps Mr. Emerson has figures for the Canadian Pacific—we trained some 11,000 employees in new skills as a result of the dieselization program. In respect of Mr. Orlikow's reference to the lay-offs at a wide variety of places, starting close to Winnipeg and ending up, I think, at Penticton, these lay-offs occurred over a period of seven, eight or nine years. The dieselization program could not commence today and be completed next week, or anything like that; it was a long phased out program. Such lay-offs as there were were handled, I think, as well as they could be handled. Bearing in mind we have attrition on the Canadian National Railways of 12,500 men each year, there are ample jobs provided we can employ the men on those jobs and train them for them. There are jobs to take care of most of those people if they elect to take them.

Mr. EMERSON: I would like to add something to what Mr. Wilson has said, with particular reference to the Canadian Pacific Railway. I do not have figures in respect of the training which would correspond to the 11,000 employees which he mentioned. However, Mr. Orlikow mentioned a number of points in western Canada, one of which I would like to give as an example of the type of thing which has taken place with specific reference to the dieselization program. This pertains to Revelstoke, British Columbia, which some of you may know. In the case of steam locomotives, Revelstoke was a very important terminal for maintaining, looking after, and servicing every type of locomotive used in the mountains, which was certainly the heaviest equipment in the system, and operating both east and west out of Revelstoke. In that area dieselization came in during the period following 1952. In the shop at Revelstoke, in the days of the steam locomotive, we had just previous to April, 1952, some 151 employees. The diesel, of course, is quite a different machine. Revelstoke became merely a servicing and turnaround point for some power, and not a point where power was maintained. So, over a five year period between April 1952 and April 1957, there was a staff reduction in the mechanical shop at Revelstoke of 105 out of 151; roughly two-thirds. Of that 105, 52 were offered work in similar classifications at Revelstoke; 52 were offered similar work at other locations, 44 of whom accepted the offer and eight of whom declined. There were 15 other employees who were transferred to other departments of the company. There were 31 who resigned—chose to leave the company's service. This includes the 8 who had not accepted transfer. There were 15 who were laid off, a third of whom who had less than two years service; the next third had between one and ten years service, and five of them had over ten years service. This is what happened over a period of five years.

That has been the pattern in the Canadian Pacific Railway. We have not had the situation which Mr. Wilson described to us this morning. Our general practice and policy has been, if changes must come, to affect these changes over a staged period of time in order to ease the impact on the burden to the individual and the adjustment which is required.

I would like to subscribe to what Mr. Wilson said about the difficulty in relation to the complexity of the labour agreements, and the complexity of crafts which are involved. In the Canadian Pacific Railway I think we have 223 collective agreements with 31 different organizations. These involve seniority classifications, and so on. As Mr. Wilson said, there is a problem of attrition and of instructing people in other work in the same location or in other locations, and this becomes hindered very much by the collective agreement.

Mr. ORLIKOW: Mr. Chairman, I have a number of questions which I would like to ask, but I do not want to stop other members. I would like to ask two questions and then I do not mind going to the end of your next list. First of all, I would like to ask the representatives of the two railways this: they have said they have great faith through natural attrition but not too many people will be affected. I do not agree with them. The other reason they give in respect of their difficulties is that the craft unions and the separate agreements do not give much flexibility. Have the railways given any consideration to making an offer to the railway unions to the effect that if they could work out some form of transfers between the various unions, that the company would be prepared, between that and attrition, to guarantee not too many people with more than five years service would be laid off. I think that would be a fairly concrete and practical proposal. If it is not agreeable to the unions, then at least the company has made an offer.

Mr. EMERSON: On the question of attrition there must be some misunderstanding, because attrition is very marked and the turnover of employment is substantial over a period of time. In these proceedings reference has been made to the reduction in employment on the Canadian railways. In the light of that I have taken some figures which refer specifically to the Canadian Pacific Railway. Probably a somewhat similar situation exists in respect of the Canadian National Railways. In any event, taking it in total, in 1952 the Canadian Pacific Railway, including communications, had some 79,742 employees—roughly 80,000. In 1962 it had 54,000. So, over the ten year period there was a decrease of 25,627 employees, on the face of it; but in that same period, the number of resignations, retirements, death and dismissals numbered over 80,000. So, in effect, while the total number of employees decreased by 25,600, we in effect went out and hired 63,386 new persons.

Mr. ORLIKOW: How many did you lay off who had substantial seniority?

Mr. EMERSON: Obviously the figures are only broken down in certain respects. The lays-offs which would take place from time to time and from place to place necessarily would depend on the conditions which exist. After all, the railways do not have control over the traffic. Take, for example, the present day situation when both railways are extremely busy at the present time in moving this very heavy crop of grain into export position. As certain as the sun rises tomorrow, some months hence this is going to cease and trickle off. When it does, there will be lay-offs of employees, and I do not know of any way in which it can be avoided.

If there is implicit in this kind of questioning, the suggestion that somehow or other when a man is hired he has a guarantee of a job for life, or as long as he wishes to remain in employment, then it is the sort of thing, gentlemen, which I think we should look at very carefully. It is a very erroneous or false assumption. After all, this a free country. We pride

ourselves on it; we maintain it, and I hope we can continue to do so. Do not forget that nobody questions the right of the individual to work or not, as he may see fit. It involves the right of the individual to change his employment. He can retire, resign and say goodbye, I am going to another job whenever I feel like it. Do not forget also that necessarily this is a two way street. Subject to certain conditions, when an employer is forced to lay off employees, it must work both ways. It cannot be a one way street. Going back for a moment, we have here for example in the equipment maintenance staff, which is the type of employee we were talking about, a substantial increase because of the much heavier movement of locomotives and cars. As a matter of fact, in the main shops of the Canadian Pacific, from October over May, 1963, an increase was shown of 14.3, say 15 per cent, in the equipment maintenance shops. Another substantial increase was shown in the smaller running shops. This is part of the process of adjusting work for us, repairs, that are carried out in accordance with traffic volume.

Mr. ORLIKOW: Mr. Chairman, I thought I asked a very specific question. I asked whether the companies would be prepared to propose to the unions that the company would try to handle to a large extent this question of lay-offs. The question was very specific. It was not answered. I assume therefore that the company is not prepared to make any kind of proposal.

The CHAIRMAN: I am sorry, but I must call for order because I think you are going far afield from C-15, which is the subject matter of our study.

Mr. EMERSON: I am sorry, Mr. Chairman, when I sat down before I had not finished but I did not so indicate; I was merely giving the translator an opportunity to catch up.

In regard to the point whether the railways would be willing to make a proposal with regard to seniority conditions, that as a matter of fact seems to be quite a current matter in a sense and I have before me the master agreement between the non-operating unions and the railways in regard to the job security funds. Let me read a part of that to you to.

> In order to facilitate reasonable mobility of workers to the intent that long service employees shall have a preferential right to other positions which they are capable of performing, seniority and other rules applicable to positions covered by the individual collective agreements shall be revised and adapted.

And so forth and so on. I continue:

> . . . provided, however, that such revision and adaptation shall not require transfer of employees' position in respect of which another opinion represents the employees, unless otherwise mutually agreed.

In other words, they maintained a veto power over any possibility of making progress in this connection.

The same thing came up, I am told, in a similar way in the year 1958 in respect of non-operating negotiations at that time. I believe at that time also these ran into a deadlock.

Finally, to Mr. Orlikow's last question whether the research departments of the railways have made estimates of personnel requirements for the next five years I would say that in so far as the Canadian Pacific is concerned the answer in short is no. Furthermore, I think it is quite impossible to do for reasons similar to what I said to Mr. Beaulé this morning.

Mr. WILSON: Would it be possible for me to add something to what Mr. Emerson has said before you proceed?

The CHAIRMAN: Yes.

Mr. WILSON: I go along with exactly what Mr. Emerson has said and I point out this: While our research staffs are attempting to forecast manpower needs over the next five or ten years, there are so many variables entering into the picture that it is almost impossible to come to any proper conclusion. I referred this morning to studies we had made of applications now before the board of transport commissioners for line abandonments. I referred specifically to the Saskatchewan and the Assiniboine area and said that there were 600 employees involved in the trackage that we had applied to the board for permission to abandon in that territory. Depending, as I said this morning, upon what legislation emerges, if any, from the recommendations of the McPherson royal commission, the speed with which the board permits us to discontinue services on these lines has quite a bearing on this matter. Those 600 employees, as I mentioned, would largely have been dealt with by normal attrition, but if the abandonments are phased out over a period of 5, 6, 7, 8, 10 or 12 years the impact on employment figures is something that you cannot be very precise about. I do think we can go as far as to say that it is likely, as a result of improved technology and mechanized track maintenance and the benefits to that area accruing to the railway from the tens of millions of dollars we have spent on improving our right of way by improved drainage, improved ballast, heavier steel creosoted ties and so on, there will be a shrinking in the work force. I do not think we can actually quote numbers in the next year or two years or five years forecasting what the staff reduction will be although we anticipate that it will at least be a somewhat lower rate than the percentage rate which has existed during the past ten years.

The CHAIRMAN: Mr. Matte.

Mr. WILSON: May I add one or two points on the matter of seniority. There has been considerable progress. I think it is only fair to put on the record that there has been considerable progress in the negotiations with the various brotherhoods, to carry out the opinion there is agreement in the widening of seniorities. There is much yet to be done, but I would not want to leave the impression that there is strict and complete rigidity here, because that would not be fair.

Mr. HORNER (*Acadia*): I have a supplementary question on seniorities. Mr. Wilson, in respect to seniority and pertaining to the application of seniority, am I right in believing the railway would like to make it mandatory that an employee must exercise his seniority throughout his seniority area?

Mr. WILSON: Well, yes; pretty largely that is what happens now. Certainly to qualify for payment under the job security plan, he would have to have established his seniority.

Mr. HORNER (*Acadia*): With regard to the seniority and widening of the plan, I am under the belief now, with the new area management, that the seniority areas are quite wide and, in fact, the whole province of British Columbia has become one wide seniority area. This morning you dwelt at great length on the generosity of the C.N.R., with relation to its employees, in accepting the cost of movement of employees exercising their seniority right throughout their seniority areas.

Mr. WILSON: No.

Mr. HORNER (*Acadia*): May I ask why not?

Mr. WILSON: In the first place I do not think it is quite right to say that the whole of British Columbia and part of Alberta, the mountain region, is all under one seniority agreement. This is not quite right; but when a man exercises his seniority—his right to bid for a job at a distant point—he is exercising an individual judgment which has been the right of railway men ever since

railway men had their wage agreements. He is making a choice to go to another place. We have the right of selection restricted only as to qualification.

Mr. HORNER (*Acadia*): But if he does not go to that place, he does not get any severance pay. He has to go there in order to remain an employee.

Mr. WILSON: He is bound by the conditions of the wage agreements under which he operates. The agreements largely provide that a man must exercise his seniority rights. Of course he can accept a lay-off and not bid.

Mr. HORNER (*Acadia*): The railways more or less, through the severance pay in the wage negotiations suggest it become mandatory that he does apply for seniority. All I am saying is in the spirit of his talk this morning with regard to the seniority, realizing its position as a good employer and realizing the position of the workers, the C.N.R. should accept the responsibility of transportation of a person within the seniority area. That is what I am saying. I think it is only right this should be done.

Mr. WILSON: This is revolutionary. I do not think it exists in any other industry of which I know under any wage agreement.

Mr. HORNER (*Acadia*): I think you would find it would exist in other industries, particularly within one area, when the person is moving.

Mr. WILSON: No. If, every time a person exercised his seniority, and moved from one place to another, the railways moved him and picked up the tab for that move, we would have the greatest game of musical chairs going around in the country of which you ever heard.

Mr. HORNER (*Acadia*): Railway workers certainly apply their seniority wherever it is of benefit to them; I do not think this would be a game of musical chairs at all.

The CHAIRMAN: I think you have asked several questions. I had recognized Mr. Matte; but now we must have the translation of what has gone on for the last five minutes or so.

I now recognize Mr. Matte.

Mr. MATTE: (*Interpretation*): My question has been answered to some extent. The railway employees have been basing their argument on layoffs rather than on changes of locations of the employees; in any event that is the purport of the bill. According to page 5 of the brief of the association, it is explained there actually would be no lay-offs because 12,000 employees a year leave the employment of the railroads of their own free will, plus creating vacancies and making it possible to reduce the entire staff employed, without involving any actual lay-offs. Would it be preferable, then, to regulate this matter so that those who did lose their employment in one section would be transferred to another, the railroads paying for their removal expenses? If this should be the case, such a bill no longer would appear to be necessary. Or do you feel that there actually are lay-offs, but that according to the briefs it would be possible to bring about a situation whereby there would be no lay-offs at all? Are the railroads in a position to guarantee indefinitely a job for all their employees?

The CHAIRMAN: Before you answer, I would like to excuse myself. I have been asked to be in the house for five o'clock. I would like our vice chairman, Mr. McNulty, to take over for half an hour or so.

Mr. REGAN: Mr. Chairman, does he have your list?

The CHAIRMAN: Yes; that is what I am making sure of now.

Mr. EMERSON: Mr. Chairman, perhaps the easiest part of that question to answer is the last part. Are the railroads in a position to guarantee continued employment for all of the employees in the service at any particular time. No;

obviously we are not masters of our own fate; we do not have control over the grain traffic which has had a very heavy upsurge. When movement slacks off, we could not keep all employees on the railroads doing nothing, and to do so would be a gross waste, I suggest, of the resources of the country. This would grossly add to the burden of transportation costs in this competitive country of ours. It would be completely against the national interests.

As to the question of whether the number of employees who separate themselves from the service through one reason or another at any particular time, and whether this would make enough vacancies so that lay-offs should not occur, the answer is necessarily no; it does not work that completely, because in the first place you have some seasonal fluctuations which affect our areas and perhaps more or less all classes of service at the same time. Additionally, you have at times geographical differences. You may get a lay-off here and perhaps an increase in traffic there, and a man here may not want to move over there. If a maintenance of way employee, for example, is laid off in the winter months when you cannot carry out track work economically under frozen or snow conditions, he may not necessarily be available, suitable or capable of being retrained to fill, say, a clerical position, the position of a locomotive engineer, or something like that. Finally you would have the seniority questions which still are problems in certain areas. I do not know whether or not that is a good answer; but necessarily lay-offs must occur in spite of our best efforts to minimize them.

Mr. MATTE: (*Interpretation*): How much do you think the application of the bill would cost in practice?

Mr. EMERSON: I must plead the same problem I had this morning, because I think it is substantially the same question. If I get the scope of some of the things which you might have in mind in this discussion, the costs could be very, very large; but again it is impossible to forecast, because there are too many uncertainties which cannot be predicted, factors we do not know about. Again I come back to over $1 million or $10 million. If it is wrong in principle, it should not be accepted. In my submission it is wrong.

Mr. REGAN: Mr. Chairman, my first question will be directed to Mr. Wilson. I would preface it by saying in the discussions and considerations of this committee on this bill I am torn between two considerations. One is I feel that in today's generally accepted philosophy of management's responsibilities towards employees, management must take the responsibility for certain costs of relocation and retraining, and there is merit in some aspects and in some applications of this bill; but at the same time I am very desirous of seeing the railways left in a position where they can improve their competitive position with the other means of communication. Of course, I am particularly thinking of the colossal governmental subsidies granted the St. Lawrence seaway, and winter navigation on the St. Lawrence which puts the railways at a disadvantage in hauling goods to Atlantic ports. I think at the same time the railways have kept an artificially high freight rate structure and, to some degree, this is because of regulations by of which they have been ham strung in the past. My questions will be directed in the light of these considerations. First, let me ask you this. In view of the fact that what has been asked for here by the unions is a cost item, is it not then possibly a matter which could be dealt with in collective bargaining between the unions and the company so that the cost of any remuneration of employees who have been laid off, as envisaged by this bill and other questions therein, would be part of the package of settlement you would make at the time of renewing the collective agreement? I put this same question to the unions and they felt they could not obtain it through collective bargaining because when they brought it up in bargaining the conciliators

thought it was not a proper matter for conciliation. What are your views on this matter?

Mr. WILSON: Mr. Chairman, in some respects this matter has been dealt with in collective bargaining over the years. Of course, we would much prefer to have freedom to deal with the special cases having regard for the circumstances of the special cases, having regard for the need, the size of the move, and all its facets on an ad hoc basis. However, during the last negotiations with the non-operating employees, when there was much discussion of this job security fund, the recommendations of the conciliation board did include, in addition to supplementary unemployment benefits and severance pay, and retraining, an item which is stated as reallocation of employees. It was plainly in the minds of the planners that some part of this job security fund eventually might be used on the basis which would be arrived at in this collective bargaining with the unions for the use of those moneys. However, we do not feel that the railway industry should be saddled with the rigidity and formality of a statute in situations of this kind which would make it automatically mandatory for the railways to do this every time an employee moves from point A to point B. We do recognize, when a move takes place at the instigation of the railway as a result of some change in railway organization, that certain arrangements should be made. I think this is common in industry; that we deal with it on an ad hoc basis having regard to what the situation is. I am sure Mr. Emerson will agree that one of the troubles on the railway is that over the years there has crept into railway regulatory rules and the regulatory framework a wide variety of restrictions and requirements that the railways do consider, and which perhaps the legislators felt were necessary or right at a time when the railways were a monopoly industry; but that time long since has passed.

I do not think there is any industry in Canada which is more conscious of the rights of employees and the problems they face than are the railways. When they are faced with a move, then the railways are interested. We like to discuss these matters with the representatives of the brotherhoods; but it is tinkering with the Railway Act—perhaps that is not a proper word to use—by amending section 182 of the Railway Act. We think it would impose a great burden on the railways, and one which is completely discriminatorily in favour of a single class of employees against a single employer.

Before I finish, I would like to go on and say, I should have said to Mr. Horner earlier, when he asked me the question in respect of a man bidding on a job and using his seniority, that the railways do provide such an individual with free transportation for himself and his dependants and free transportation for his household goods; this is a part of the collective agreement. You used the word "compensation" and I said no.

Mr. HORNER (*Acadia*): I think I said all costs.

Mr. WILSON: Perhaps I gave you the wrong impression. In the collective agreements we do have a wide variety of rules which provide for free transportation, free freight, and things of that kind.

Mr. RYAN: Is this true as well in respect of the C.P.R.?

Mr. EMERSON: The conditions differ according to the different collective agreements, but as Mr. Wilson says, a number of classes of employees—perhaps these are things which have grown up over the years, and one company places more importance on one feature than does another company—moving from point to point in pursuit of their seniority are provided with free transportation for themselves and their families; also the free movement of their household goods. It is up to them to load up the goods in the railway car and unload at the other end; but they are moved from point to point.

Mr. HORNER (*Acadia*): Are they paid wages while being moved?

Mr. REGAN: I was just starting my line of questions. I know, by reputation, that if Mr. Horner gets back in, I am finished. I would like to direct my questions to Mr. Emerson.

Mr. LAMB: Mr. Chairman, I would like to interrupt. I do not think you have a quorum, and any business done here now would be illegal.

The VICE CHAIRMAN: It is difficult to count at the moment. Mr. Horner is just making a telephone call.

Mr. REGAN: Mr. Horner may be out of the room, but his attendance is counted in; he is in the immediate area. Mr. Chairman, would you send someone for a body?

The VICE CHAIRMAN: We are endeavouring to; there are several committees going on at the same time. This is the difficulty. We have a quorum now, gentlemen. Mr. Regan ,you still have the floor.

Mr. REGAN: I would like to direct this question to Mr. Emerson. I thought your remark about this being a free country and a worker not having a vested right perhaps was unfortunate, because it is not free for you to abandon lines without applying to the board of transport commissioners; it is not free in many ways. At the same time, I think there are many people today who feel, through the acquisition of substantial seniority, a worker does acquire some rights analogous to a vested interest. Do you not feel, in respect of workers who have substantial seniority, there is a trend toward industry in general, not only the railway industry today, accepting some responsibility for the costs of relocation and retraining of workers who are displaced through automation.

Mr. EMERSON: Speaking to that point, I think perhaps there is a little difference between us in our concepts of freedom; that perhaps is one which cannot be resolved here and now. However, speaking of the pattern through industry generally, if I may I would like to ask Mr. Campbell who is manager of labour relations, and who is more familiar with the details of this subject than I, to see what information he might be able to give the committee which would be helpful in this respect.

Mr. KEITH CAMPBELL (*Personnel Department, Canadian Pacific Railway*): With regard to your specific question, Mr. Regan, which dealt with relocation and retraining provisions in industry generally, frankly I am not aware of any body of data collected by the Department of Labour or any other agency which indicates provisions of that nature are included in collective agreements. I would believe, as a matter of fact, that where such conditions exist in industry, they possibly exist rather as a matter of industry policy than as a matter of collective agreement. With respect to other provisions in collective agreements which protect employees to some extent against the loss of employment—and I refer to the severance pay arrangement and supplemental unemployment benefit plans which exist in Canada —there are filed with the unemployment insurance commission, as I believe is required by law, a total of 129 such plans in all of Canada which embrace approximately 100,000 employees. Now, these are found exclusively in industrial establishments, and this proportion of plans represents 3.4 per cent of all employees in industrial establishments in Canada, and 1.6 per cent of the total of the paid labour force in Canada.

In order to avoid any possible misunderstanding in connection with this, the Department of Labour does publish a document entitled Collective Agreement Provisions in Major Manufacturing Establishments. They confine their survey to establishments of 300 employees or more. This particular study indicates that 21 per cent of the employees in major manufacturing establish-

ments are covered by such provisions. This of course, only relates to establishments of 300 persons or more in major manufacturing. It excludes all office employees as well as all employees in non-manufacturing industries. So I suggest the information with regard to the number of plans on file with the unemployment insurance commission is more indicative of the proportion or workers in Canada who are covered by such provisions.

Mr. WILSON: May I add—and I think Mr. Campbell will agree—that you do not find in any of those agreements to which he referred any provision, possibly with one exception, for the payment of relocation expenses for employees on a move.

Mr. REGAN: But those are not transportation industries.

Finally, Mr. Wilson, supposing this committee should not agree, as was suggested by either Mr. Emerson or yourself earlier that this thing is wrong in principle and no payments should be made, and suppose the committee reaches the conclusion it should make a recommendation for payment of this type in certain instances and certain circumstances, do you feel there is any difference between an employee who is laid off because of abandonment in a rural area where he will lose substantially on the resale of his house; do you feel in these circumstances there is any difference which should be considered by the committee regarding the matter of seniority of the employee rather than an over-all application? In other words, are there any remarks you would like to make to qualify the type of application?

Mr. WILSON: It is very difficult to deal with a specific case of a railway employee, who under certain circumstances may find himself without employment, or who may have to move to another location, and his house is up for sale and he cannot sell it. I do not know how railways can deal with an exceptional case such as that. I think we have indicated to you that our objective as employers is to deal on an ad hoc basis with those cases where certain circumstances of hardship may exist.

Mr. REGAN: You do agree that employees over the years like to have these as a matter of right rather than as a matter of benevolence?

Mr. WILSON: I expect they do, but it is a very difficult thing to adopt in a railway, which would apply in a single solitary case under certain circumstances, because no two sets of circumstances ever will be the same. In some cases, of course, employees choose not to move.

Mr. BEAULÉ (*Interpretation*): Before moving on to another matter, I now would like to move, because of certain difficulties which have arisen in respect of a quorum, that our quorum should be reduced from 15 to 10 members.

Mr. HORNER (*Acadia*): Perhaps we should deal with this at the end of the meeting rather than right now. In any case it has to be referred to the house. Mr. Chairman, let us deal with that at the end of the committee meeting today rather than right now. In any event, it has to be referred to the house. You cannot reduce the quorum for this meeting.

The CHAIRMAN: Yes, it has to be approved by the house, as Mr. Horner says. Could we bring this up at the end of the meeting and in this way we will not unduly hold up things.

Mr. BEAULÉ (*Interpretation*): Mr. Chairman, certain information has come to light since we have begun the examination of this bill. It appears to be clear now, in any event, that this bill would only protect a certain area and a certain number of employees from the prairies.

Mr. HORNER (*Acadia*): Oh, no.

Mr. BEAULÉ (*Interpretation*): It would not protect the employees of the Quebec area, where there has been considerable dislocation in the past few

years. For instance, in 1939, the St. Malo shops were closed. In 1954 the Riviere-du-Loup shops were closed and, since then, there have been shops closed at Limoilon, Chauvigny, Lake Edward, Riviere Pierre, Fitzpatrick and Parent, as well as several others. This is borne out by the seniority list which originally had 697 names on it and it now includes a mere 127 names. There have been no bids accepted by these people for other positions because they were unilingual and they were unable to obtain positions, for instance, in the sales department, express department and so on.

I know for a fact that preference was given in this regard to office workers, for instance, over shop workers.

The CHAIRMAN: Mr. Beaulé, if I might interrupt, I was wondering if you would put your question.

Mr. BEAULÉ (*Interpretation*): Do you have any suggestions to prevent such a condition occurring again?

Mr. WILSON: These are historical facts, that is, the closing of Riviere-du-Loup and the shops at St. Malo. These things happened quite a number of years ago, and what arrangements were in effect at that time I do not know.

The other points were largely points for the servicing of steam locomotives and the testing of same, when you had to have a roundhouse and turntable and all the facilities roughly 125 or 150 miles from the start out terminal, and with the coming of dieselization these changeovers occurred. Many of the people who at that time were displaced or lost jobs expressed the preference to remain in the place where they were and not to move to Montreal or Quebec or other places. I have been told some had two or three acres of cabbages or potatoes in the area and their roots were there and there they stayed.

Now, in future, whatever happens, if there is a line abandonment application this situation will be dealt with. We demonstrated this morning that a very careful study is made of the number of people involved in a line abandonment and in our planning full effect of attrition is taken into consideration.

Our experience is that when an application is made for line abandonment it is not put into effect in a matter of three months or even six months; it may be done over quite a number of years. We have the job security agreement and supplementary unemployment benefit provisions, to which I have made reference, as well as the severance pay provisions for which a fund has been established. When these things become operative there will be relief for those people who in the future may suffer the fate of those people referred to, but they will be in a much better position than those employees of 30 years ago.

Mr. HORNER (*Acadia*): Mr. Wilson, you and I agree that to a certain extent the 35 unions now operating under the railroad create a certain amount of inflexibility in regard to the movement of men or the continued employment of men and that the enlargement of the seniority areas tends to increase the flexibility of the worker in his ability to hold on to a railroad job. But, certainly most of the trouble in respect of railroad jobs lately has been because of management initiative in either abandoning railroad lines or discontinuing service. I think the initiative in most cases is on the part of management and I think we should reach a conclusion, at least to some extent, under bill C-15; perhaps not going quite that far but both sides have to give and take a little bit. Surely the railroad, because it is their initiative in most cases which is responsible for it, should accept the fact that they should pay for the cost of employees exercising their full seniority throughout the enlarged areas.

Mr. WILSON: Mr. Horner, perhaps I did not quite give a complete answer to you before when you raised this matter of compensation—or, at least, I thought you used the words "compensation payments to employees who exercised their seniority voluntarily". You asked me if any compensation were paid and I said no; in a matter of fact, the wage agreements contain a variety of provisions and in practically all of them when a man exercises his seniority to bid on a job in a different location he is provided with free transportation for himself and family, for his household goods, and time off of two or three days, with pay, depending upon the clause in the particular agreement, while he is going to that other place. That is the extent of the compensation. It is correct that there were problems which we were trying to resolve and which were well recognized when the clause that was read by Mr. Emerson a short time ago was put into the plan, which was agreed to by the railways and the union in September, 1962. Some progress has been made, but there is stilll considerable rigidity.

If I could give an example, I would cite the case of an upholsterer, who was a member of the carman's association and who had 30 years service with the railway doing passenger car repairs, which was discontinued at one small shop and concentrated in a larger shop at management's initiative. This upholsterer found himself out of work. He had 30 years service, but we felt that that upholsterer, who was a member of the carman's association, could be taught in a matter of a few minutes or an hour to hold a spray paint gun and paint a freight car. But, if he wanted to take a job in that same job and in that same city, 50 feet away from where he has been working he would have to forfeit his 30 years of service and seniority and go in there and be junior to a man hired last year. They are not prepared to do that. As I say, this is within the same organization, and that is the type of thing that I was referring to this morning when I was talking about the problems which flow from the fact that we have so many unions. We are not like the automobile workers; we have not a big industrial type organization, nor are we like the British railroad where, I think, they have only three unions. But, we have these craft unions and they have done wonderful work for the employees over the years. I do not attempt to attack them at all except on this one point of inflexibility, when it comes to the recognition of company service as against seniority.

That man could be faced with moving his family from the shop, wherever it may be located, to another shop where passenger car repairs are being carried out and where he would continue in his craft as an upholsterer. The fact that we are prepared and ready to train him to do another job which would pay him comparably and allow him to stay in the same shop and move laterally 50 feet across the floor, the fact that we cannot do that is something that gives me great concern. I hope some day we will be able to do it.

The CHAIRMAN: Gentlemen, we have two or more questioners after Mr. Horner. I was wondering if we could then complete our questions by six o'clock. If not, would you wish that we sit this evening? We would have to send notices out before the office staff leave. Mr. Horner, is yours a short question? Mr. Fisher, how long would you need?

Mr. FISHER: It will depend on how much has already been asked, and you will have to be the judge of that. I am in the embarrassing position of not having been here before. Some of my questions will probably have been asked. You will have to rule on that.

Mr. ORLIKOW: Can we not agree to meet tonight?

The CHAIRMAN: How about the witnesses?

Mr. EMERSON: We are at your disposal.

Mr. RYAN: I move we meet tonight.

The CHAIRMAN: At 8:15.

Mr. BEAULÉ: I second it.

The CHAIRMAN: A motion has been made by Mr. Orlikow and seconded by Mr. Beaulé that we meet tonight. All those in favour? It is agreed.

Motion agreed to.

Mr. HORNER (*Acadia*): Mr. Wilson, with regard to seniority, am I right in assuming that the railway pays all the costs? I do not mean evaluation of the house or property, I mean all the labour costs owing to the loss of pay and the cost of moving with regard to a person operating under voluntary seniority rights?

The CHAIRMAN: Gentlemen, we have not adjourned yet. Please sit down. Order, gentlemen. Two more minutes, if you can wait.

Mr. BEAULÉ: Do we sit in the same room this evening?

The CHAIRMAN: I believe so.

Mr. HORNER (*Acadia*): I have finished my question.

Mr. WILSON: Not all the costs.

Mr. HORNER (*Acadia*): What part of the costs?

Mr. WILSON: We provide free transportation for the family and free freight for the removal of his household goods. There are other costs involved.

Mr. HORNER (*Acadia*): Do you pay his wages while he is moving?

Mr. WILSON: Yes, two to three days' pay while the employee is moving from one spot to another. However, I would like to add, if I may go back to the example I gave of the upholsterer a few minutes ago. If that man were moved to a different point under the circumstances I have cited and had to put his house up for sale and lost $5,000 on the sale of that house, I submit it would be completely and absolutely unfair to expect the railways under those circumstances to defray the cost of the loss to that individual of that amount of money. That is why we are against the principle of this bill.

The CHAIRMAN: The meeting is adjourned.

EVENING SITTING

TUESDAY, December 4, 1963.

The CHAIRMAN: Order; we now have a quorum.

Before we proceed, I understand when the Vice Chairman left the Chair we had a motion asking that the committee should sit with a quorum of ten. Was the motion postponed?

Mr. MCNULTY: The bell rang and we were to bring it up again.

The CHAIRMAN: I would like to hear from the members in respect of whether we should dispose of this motion or whether we should continue with a quorum of 15.

Mr. MCNULTY: I think we should dispose of it now. We may be caught again.

The CHAIRMAN: I will read the motion to you. The motion, moved by Mr. Beaulé and seconded by Mr. Gauthier, is that this committee seek permission to reduce its quorum to ten.

Mr. FISHER: May I speak against the motion? To me it seems ridiculous, when we have a committee of 60 members, to reduce the quorum to ten. I think 15 is bad enough.

Mr. RYAN: As we have so many committees sitting now, it might not be realistic to expect to get 15 all the time.

Mr. BEAULÉ: This is why I put the motion.

Mr. LACHANCE: I feel it is not ridiculous to reduce from 15 to ten.

Mr. MCNULTY: There are other people on the sessional railway committee who are also on this committee. Certainly they are interested in the same matters.

Mr. REGAN: In view of the fact that the sessional committee deals with somewhat the same areas, this is a situation which further draws members away; and there is the fact that so many other committees are proceeding at the present time. The most important thing we can do is get on with the business even if we have less than 15 persons here. Although I agree to an extent with Mr. Fisher that it is deplorable we cannot draw 15, the surrounding circumstances of the other committees meeting at these times, being as they are, I think reluctantly, I must support the idea of a reduction to ten. I might say, I think it is most unfortunate that all matters involving the railroads and other transportation could not be dealt with by this committee without the necessity of another sessional committee to do somewhat the same thing.

The CHAIRMAN: Do I understand you are ready to vote on the motion?

Some hon. MEMBERS: Question.

The CHAIRMAN: The motion reads: That this committee seek permission to reduce its quorum to ten.

Motion agreed to.

The CHAIRMAN: When we left off, I think the member asking questions was Mr. Fisher.

Mr. FISHER: Actually it was Mr. Horner. I had not had an opportunity. However, as Mr. Horner is not here, I would like to ask some questions. I would like to start with Mr. Wilson, if I may. In effect, you are in charge of labour relations with the Canadian National Railways?

Mr. WILSON: That is right.

Mr. FISHER: How long have you had the job?

Mr. WILSON: As vice president, about six years.

Mr. FISHER: You have been at it long enough to be pretty familiar with the relationships with the unions with whom you are mostly engaged.

Mr. WILSON: Well, it is a very big and complex field. I do not profess to have a complete mastery of all the details of the contracts.

Mr. FISHER: Do you know the unions generally well enough to characterize the unions with which you deal in respect of whether your relationships are excellent, good, fair or bad?

Mr. WILSON: Oh, I think I could do that if I felt disposed to do it.

Mr. FISHER: I would like to have your opinion on it.

Mr. WILSON: I do not know, Mr. Chairman, whether I should be asked to tell before this committee what our labour relationships are with the 35 unions with which we do business.

Mr. EMARD: I object to this. It is a matter of opinion.

Mr. FISHER: I just wanted to know whether you consider the unions with which you deal to be generally irresponsible?

Mr. WILSON: I do not think that and I never said that. These unions are very responsible.

Mr. LACHANCE: This is a matter of opinion. Facts should be given before this committee and not opinions.

Mr. FISHER: I think the question is reasonable, but if Mr. Wilson does not wish to answer it, that is fine.

Mr. WILSON: I would like to say that the relationships we have with all the 35 unions with which we do business are good.

Mr. FISHER: This is what I gathered from Mr. Gordon.

Mr. WILSON: I think we have mutual confidence. I do not know of any union or any senior union official with whom we do business who I cannot invite into my office, sit down with and have a rational and down to earth discussion about mutual problems.

Mr. FISHER: For example, you have been familiar with Mr. Frank Hall and his work with the railways.

Mr. WILSON: For many years.

Mr. FISHER: You are aware that the subject matter of this bill which is before us was brought here in a rather unusual way with the support of all the unions which deal with the railways in Canada?

Mr. WILSON: I think the unions show their usual solidarity in supporting the measure before the committee.

Mr. FISHER: Is this solidarity so usual?

Mr. WILSON: I think it is in some areas. When there is a concerted movement, or when there are common demands, I think it is usual to find the unions standing behind any measure which is put forward.

Mr. FISHER: This subject matter has the support of the unions and we now have, both today and previously in presentations to the minister and to this committee, the opinion of the Railway Association of Canada which is very strongly against it. We have the two partners in the labour-management relationship in connection with this particular subject matter, which suggests there is something pretty substantial here. I would like to know from you, as spokesman for the C.N.R., what your role is in contra-tempo. As a member of the Railway Association of Canada, what possible way do you see in which the issue involved could be met without it going into legislation?

Mr. WILSON: I think it can be met. Unfortunately you were not in the committee, but earlier today I said I think on an ad hoc basis, speaking for the major railways, and particularly the Canadian National Railways, we have demonstrated to the unions we have a responsible approach to the type of problems which normally are likely to be encountered as a result of changes in our operations from here on. We have given this considerable thought, and we do not think it requires formality and rigidity of legislation to bring about the kind of things which I think most union leaders contemplate when they think in these terms.

I am sure you are familiar with the seniority program which is under negotiation and discussion with the 80,000 odd non-operating employees of the Canadian railways. This provides a measure of protection, although it does not go into the matter of losses on the sale of real estate in the event a man has to move from one place to another. We feel, however, there is adequate protection for all employees in situations which may arise in the future without the necessity of an amendment to section 182 of the Railway Act.

Mr. FISHER: I suppose you can only speak for the C.N.R., but would the railways be prepared to stop any innovations during the currency of any contract, so that the innovations could be made a matter of contract negotiation?

Mr. WILSON: No, I do not think that is practical at all, Mr. Chairman, for this reason: if any change in our organization, innovation, or technological improvement, anything of that kind, is contemplated by the railways, we do not feel it is necessary to give the unions veto power over management's rights in doing what management thinks it must do to conduct the company's business.

Mr. FISHER: But you do plan these innovations?

Mr. WILSON: Yes.

Mr. FISHER: They are planned over a period of time?

Mr. WILSON: A variety of things; yes.

Mr. FISHER: Your contracts are not open ended in terms of time; they also have a time clause.

Mr. WILSON: Mr. Chairman, I do not know whether the member, Mr. Fisher, is asking me whether management should concede to its employees, through the union representative, that any change whatsoever in the operation of the railway should be subject to union veto?

Mr. FISHER: I did not say that at all. You used the word "veto".

Mr. WILSON: It is implied. If I am wrong, perhaps you would correct me.

Mr. FISHER: Negotiation hardly is veto. I assume the railways plan these changes and know about them some months ahead. What I would like to know is, would the railways consider bringing such changes within the scope of the contract negotiations in the negotiation period?

Mr. WILSON: Would you be more specific and tell me what type of thing you are talking about?

Mr. FISHER: The kind of thing which affects such things as run throughs.

Mr. WILSON: Well now, I think I should say, as you well know there is nothing in our running trade agreements to prevent the run-over to subdivisions.

Notwithstanding that fact, when it was contemplated in the west that we would be able to speed up the service and give better service to our customers by eliminating some turn-around points, not home terminals, the union officers, concerned were called into the vice president's office early in February and they were told what was contemplated. This is what I describe as consultation. We were not required to do this under the agreement. They were called in and were given in detail what the company contemplated, and they were told at that time, if my memory serves me, and I think it does, that the run throughs would probably become effective on August 18. They were asked if they had any suggestions to make as to how this could be achieved or how it could be improved upon, what problems may exist and what suggestions they had to offer. They expressed their confidence in the vice president for having discussed the matter with them, and the meeting came to an end. This was in February.

There were subsequent individual discussions with the general chairman and one or two meetings between them in the early summer. The vice president said at the last of these meetings, "Gentlemen, we are coming up to the time when these run throughs are about to be established, and you have not come forward with any suggestions. Therefore I take it that you are quite happy with the situation as we have outlined it to you, but I would like you to tell me in a definitive way before July 1 what your views are." The first of July came and passed and there was no communication from the general chairmen of the unions. The vice president called them in again and had a further discussion with them and said, "Now, I am not placing any particular importance on the deadline of July 1 that I mentioned to you, but if you have anything to say or if you have any suggestions as to what may be involved here, please let me know." This is what I call prior consultation even though it was not required under the agreement.

Mr. FISHER: I am quite familiar with that case and with the consultation that went on and with some of the ramifications, but I want to come back to the question of brotherhood of railway trainmen who have attempted on a number of occasions to get the phrase into their contracts with the railways

that there be no material change in the conditions of employment during the currency of the contract. Before at least two arbitration boards the judge—I think it was a judge in each case—indicated that this was not a matter that he felt could be settled by the board, and the suggestion was made that this should be handled or simply settled by parliament. That is the implication that is involved in this particular matter. I was wondering whether the railway association of Canada has considered accepting such a clause in the contracts after some consultation with the unions to define what is meant and what is involved and what the formula should be.

Mr. WILSON: I think we are dealing with two separate things, Mr. Chairman. The matter of the run throughs is not a material change in the working conditions. Mr. Chairman, I submit that the brotherhood of railway trainmen to which Mr. Fisher has referred has been running three sub-divisions for three years.

Mr. FISHER: Mr. Chairman, I am not disagreeing particularly with Mr. Wilson's answer but Mr. Wilson is giving me replies that are irrelevant to the point I want to make. I want to know more about the prospect of trying to get something in the union contracts that would satisfy the unions and would save the legislative process. Specifically, I want to know whether this particular clause "no material changes in conditions of employment during the currency of the contract" was acceptable to the railway association of Canada?

Mr. EMARD: Mr. Chairman, on a point of order. I wonder if my colleague, Mr. Fisher, is trying to do the bargaining for the union here today?

Mr. FISHER: Good lord, grow up! We have a bill in here with a subject matter that has been supported by the railway unions of Canada. It happens to be a bill that I brought in myself. What is wrong with a representative trying to make the best possible case or find the best possible alternative to this?

Mr. ORLIKOW: On a point of order, Mr. Chairman—

The CHAIRMAN: Are you raising another point of order or Mr. Emard's point of order?

Mr. ORLIKOW: I want to speak on that same point of order. We have been hearing every day since this committee met the railway's reasons why all these matters should not be spelled out in the legislation. I think Mr. Fisher is quite within his rights and in order when he asks the railways whether they do not want it in the legislation and whether it would not be better if this could be done through negotiation. If we are going to get the answer that it cannot be done through negotiation and that it should not be done through legislation, then we cannot have any changes. Surely he is in order to follow this line of questioning.

Mr. EMARD: I beg to disagree.

The CHAIRMAN: I would like to say on this point of order that first if it is a point of order, and I believe it is, although we all know we are speaking on a subject matter which is called Bill C-15, this subject matter gives the members of this committee a wide interpretation and allows them to ask many questions. I do not think we should ask questions of the witnesses which involve them speaking on decisions which they will make in the future and on which they might feel they should not speak.

Mr. BEAULÉ: If we keep on interrupting Mr. Fisher, he will not be able to ask his questions and we will never finish.

Mr. REGAN: On a point of order, Mr. Chairman. I think there is some merit in the point of order that arises, but at the same time, in line with what you have said to the effect that considerable latitude should be given in this type of questioning because of the fact that we are dealing not only with this bill

specifically but the subject matter, there seems to have been a logical sequence to Mr. Fisher's questions. I would submit that members of the committee should allow him to continue with this questioning because these are not amateur witnesses, they are people well equipped to handle themselves and to indicate how far they feel they should go in their answers. Perhaps it might be wise to indicate to Mr. Fisher that we do not feel he should go too far afield. I do not honestly feel I could support the position that he has gone too far thus far.

Mr. RYAN: On the same point of order, I substantially agree with Mr. Regan, and it is my feeling that the questions should probably be restricted to what has happened in the past or until the present. Any intentions for the future, I would agree, should not be questioned.

The CHAIRMAN: I will ask Mr. Fisher to try to do his best, being such an experienced man in the matter of committees and questioning, not to get away from the subject too far, so that his questions will be fair to the witness and fair to the committee as well.

Mr. FISHER: We can wrap this particular part up very quickly. I understand, Mr. Wilson, you see no possibility of this particular issue being met by negotiations during contracts?

Mr. WILSON: I do not think I went that far. You see, we believe in collective bargaining in the Canadian National Railways. Indeed, we are in negotiations now with the brotherhood of railroad trainmen on their national agreement, and I would not like to say anything to this committee that might compromise our position in these negotiations. I do say this, and I think you have been sufficiently familiar with what goes on in collective bargaining sessions to know that it is not a one-way street, there are two parties at the bargaining table, and if concessions or improvements of one kind or another are asked by the brotherhood, there are at the same time similar requests made by the company for revision of some of the clauses that have been in the agreements for a long time. When they sit down at the table, the attitude of the bargainers on the part of the brotherhoods—and I am not criticizing them for taking this stand—is that they assert that they have bargained hard for these rights and privileges over the years and have won these points one after the other and had them incorporated in their agreements and therefore they are not going to give them up under any circumstances. When we are faced with requests or demands for changes in the agreement, we say, "Well, we might consider these changes but as a *quid pro quo* we require your co-operation in changing this rule or that rule." It is a frustrating experience to the point where sometimes I think the unions, having failed to get what I refer to again as the veto power, the right to say to management, "No, you must not do this", having failed to get that in that concise form in the collective agreements, try to get it now by legislation.

Mr. FISHER: Mr. Chairman, did anyone earlier today get into the question of the C.N. - C.P. Act?

The CHAIRMAN: No, I do not believe so.

Mr. FISHER: It is very hard to talk about intent, but I think you, gentlemen, must have seen the unions' interpretation of what was the intent of the C.N. - C.P. Act. Would you agree that that act does give some protection in matters such as the subject matter of this bill would cover, or should there be more pooling or co-operative arrangements between the two railways?

Mr. WILSON: That, Mr. Chairman, is a different subject. I think that the C.N. - C.P. Act was passed at a time when the government was urging the two major railways in this country to co-operate in an effort to eliminate duplication of services. Having gone that far, they felt that if co-operation under that act

resulted in the consolidation, let us say, or the elimination of one of the lines from here to Montreal so that the service would only be on one road, and as a result of that co-operative action men were displaced or men had to move from their place of employment, the provisions of the C.N. - C.P. Act took over.

Mr. FISHER: They would protect them?

Mr. WILSON: Would protect them.

Mr. FISHER: What is the distinction you can make in principle between the position of an employee and one railway affected by consolidation and consolidation that follows co-operation between two railroads?

Mr. WILSON: I suppose that is a fine point. I do not know whether you were in the committee earlier today when I was explaining or trying to explain to the committee the situations that exist in some of our work locations where a man with 30 years service is unable to hold work because his job has disappeared, since that particular type of work is not being done any more, but the man 50 feet away from him in the same union is holding work every day at the same rate of pay, doing something that this first 30-year man could do. In those circumstances, I suggested just as the committee rose for dinner that to expect railways to reimburse that 30-year man for a loss that he may make on the sale of his property because he has to move somewhere else is a pretty hard thing to defend.

Mr. FISHER: I want to suggest to you that your argument is rather irrelevant from this point of view. Whether the union arrangements allow for the flexibility or mobility or not, the fact remains that you have no more jobs within the system as a result of your changes, and in this sense while the union agreement or the union contract may compartmentalize the movement, it does not really affect the number of jobs, in effect that one person is going to lose a job.

Mr. WILSON: I think it is important who that person is and what length of service he has in the company. We have a provision in the job security protection fund for severance pay for a man laid off or for supplementary unemployment benefits which added to unemployment benefit will pay him a sufficient amount of money to help him over the hurdle until he finds other employment.

Mr. FISHER: You had your upholsterer and I will take a machinist with 27 years service. He has been laid off and cannot find any work within the seniority district he knows, so he is out of luck. Suppose there was an arrangement whereby he could have moved to Montreal, the fact remains that someone in Montreal will then have trouble.

Mr. WILSON: No, not if the work he is performing in Hornepayne is now being done in Montreal. We need workers in Montreal; as a matter of fact we are advertising for machinists now, but the fellow has to get there.

Mr. FISHER: I am giving you an example to counter the example of your upholsterer.

Mr. WILSON: I do not think it did, Mr. Chairman.

Mr. FISHER: That is your opinion. My point is that in so far as the number of job opportunities are concerned, the union agreements on limitations have nothing whatever to do with it.

Mr. WILSON: Is this not a fact of life, Mr. Chairman? I have in my bag—and if I must I will dig it out—a study of the federal Department of Labour under the byline of Dr. Diamond in which he makes the statement as one of the prime conclusions of this study of six industries in Canada that:

> Henceforth, skilled workers in any one industry cannot expect to remain at a single place with a single set of skills throughout their working life. There has to be mobility and there has been mobility in the railway industry even since it was created.

Mr. FISHER: I quite agree but my point was that you brought forward the upholsterer and put him next to the man who has only been painting for a few months to show the incongruity of the union contracts. All I wanted to counter with was whether there was a union contract block or not if there are so many job opportunities in the railroad. That is all I wanted to clarify. I am one of those who is campaigning among union people for greater flexibility.

Mr. WILSON: And much has been achieved.

Mr. FISHER: I quite agree, but I do not think the upholsterer really proves any great point in connection with the intent of this particular legislation.

Mr. WILSON: May I just add to that, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. WILSON: The dieselization program is finished so far as we are concerned. It took seven or eight or nine years. It created considerable upheaval, as you well know, in the closing of these subdivisional point roundhouses and the like, but from here on in we do not see through line abandonments or through the other changes that we see on the horizon in our industry in the next ten years, that there will be an acceleration in the decrease in the number of jobs. If anything, it will be a slowing down. I cannot make a prophecy with any certainty, but that is our feeling and that is as a result of our study.

Mr. FISHER: That should make it all more reasonable that the unions and railways should be prepared to get together to make the changes that may be coming at a slower rate a matter of contract negotiation. It would certainly seem to indicate that there would be less likelihood of any changes in the future, if they are negotiated, really wrecking management's intentions.

Mr. WILSON: One of the steps, Mr. Chairman, along that line that I have referred to perhaps too often today is the job security fund which, for your information, Mr. Fisher, as I do not think you were present, on the Canadian National Railways will amount to well over $1\frac{1}{4}$ million by the end of this year. It provides a measure of protection for those employees who are permanently laid off. It seems to me that in industry generally—we referred to the survey of the number of contracts by the Department of Labour and the number of them that provide for supplementary unemployment benefits or severance pay, and the absolute paucity of agreements in that group that provide for anything of the order you are suggesting in Bill C-15—that type of thing is not done today.

Mr. Chairman, if I may refer to a speech made by Mr. Fisher in the House of Commons, I recall listening to you, Mr. Fisher, in the House of Commons back in 1961. At that time we were being attacked—and when I say we I refer to the railways—we were being criticized—I correct the language—for lay-offs of a half dozen men here and a half dozen men there, which was serious and gave us great concern but Mr. Fisher referred in that speech in a paragraph or two to the fact that in his constituency of northern Ontario a very large industry there had some 18,000 workers represented by a militant union, a union that did not collapse under any pressure; that this industry has suffered very drastically to the extent that in a period of a year, if my memory serves, or less than a year the membership had dropped from 18,000 to 11,000, and 7,000 men lost their livelihoods in northern Ontario and the loss of those jobs was attributed to the three things. That loss was attributed to the slashmobile—it was the woods industry—the fork lift loader and the power saw. I do not think it has ever been referred to in the House of Commons since.

Mr. FISHER: I think I have referred to it; it was over a ten-year period.

Mr. WILSON: What arrangements were made for those employees?

Mr. FISHER: A considerable number.

Mr. WILSON: What happened to their houses, Mr. Chairman?

Mr. FISHER: They did not live in houses; this is the point. They were dormitory camps. They were not taken into the bush with the expectation that they would have a year-long job.

The CHAIRMAN: I think we should come back now to the subject matter of our discussion.

Mr. FISHER: I agree. I was interested in Mr. Wilson's aside.

I would like to ask Mr. Wilson something in relation to the point he brought up about this job security program.

Do you recognize that some of the unions that support the bill are also the ones which have been involved with your company in this job security program?

Mr. WILSON: Yes.

Mr. FISHER: That would seem to indicate that they are not wholeheartedly convinced that the job security program is the answer to meet the problems envisaged in this subject matter.

Mr. WILSON: I think the unions would accept any provision, by legislation or otherwise, that came along to provide additional protection for their members.

Mr. FISHER: It is not a case of accepting, Mr. Wilson. I think you will agree that they have made representations over quite a number of years to the cabinet on this particular matter. They brought up what was involved at arbitration boards. It is not a case of their going to accept this; they are here campaigning for it. I just wanted to say this against your emphasis.

I would like to ask Mr. Emerson a few questions. It is not very often one has the opportunity of questioning someone from the free enterprise road. I would like to ask him a couple of questions.

Mr. Emerson, there has been an emphasis, I believe, by your president on the fact that your railroad does not like to take subsidies from the government. Or, let me say, that you would prefer not to take subsidies from the government; is that correct.

Mr. EMERSON: I do not think it has ever been put in that way. Certainly Canadian Pacific has not sought subsidies. You have to bear in mind, of course, that the subsidy payments which are being made are in compensation for services which, by virtue of law or public policy, the railways are required to provide.

Mr. FISHER: But there is a history in so far as the Canadian Pacific Railway is concerned to the effect that C.P.R. has accepted subsidies in various forms from the governments for several years.

Mr. EMERSON: No, I think I would disagree with you completely on that, Mr. Fisher.

Mr. FISHER: Do you mean to say the land grants, for example, in relation to establishment of the Canadian Pacific Railway were not in the form of subsidies?

Mr. EMERSON: You call them subsidies. They were really grants in aid of construction. They were in fact payments to the company as fulfillment of its contract for the building of the transcontinental railway.

Mr. FISHER: At least, in the last seven years the Canadian Pacific Railway has been receiving subsidies in some form from the federal government.

Mr. EMERSON: In the last seven years? What had you in mind, Mr. Fisher?

Mr. FISHER: I am thinking of subsidies that have come in since the freight rates were frozen.

Mr. EMERSON: The Freight Rates Reduction Acts payments came into effect, I think, in 1959, which is four years ago. There were really, you must understand this, subsidies to the shippers. It meant no money in the pockets of the railway but it was a subsidy to the shipper under which we got a reduced rate, lower than that which the board of transport commissioners had found to be just and reasonable but by law the railways were required to reduce the rates and the difference was made up in the form of these payments.

Mr. FISHER: I am glad you put it in that form. You have also taken some of the bridge subsidy?

Mr. EMERSON: The bridge subsidy, I think, falls into exactly the same category.

Mr. FISHER: The point I want to get to, Mr. Emerson, is that the Canadian Pacific Railway in recent years, and projected now with the recommendations of the McPherson report and some of the moneys that it set aside, has been accepting or receiving money through the federal treasurer.

Mr. EMERSON: The Canadian Pacific Railway has been receiving money that is paid by the federal treasury, as I put it to you, on behalf of the shippers in relief of freight rates. So it is a subsidy to the shipper paid to the railway for simplicity purposes.

Mr. FISHER: The point I wanted to make quite sure of is that the Canadian Pacific Railway recognizes that it has, as the major railway, a special relationship to the federal government.

Mr. EMERSON: I can think of one special relationship and that is that we are a very large taxpayer.

Mr. FISHER: I mean a special relationship in terms of subsidy from the federal treasury.

Mr. EMERSON: No, I do not think I would agree with that.

Mr. FISHER: You cannot see that at all?

Mr. EMERSON: No.

Mr. FISHER: Why do you feel, Mr. Emerson, that the Canadian Pacific Railway comes under the regulatory restrictions under which it does come?

Mr. EMERSON: This is a matter of tradition and history; it dates back, of course, to the fact that railways in their inception in Canada, and for many years thereafter, held a monopoly and as such they were a public utility. As a public utility, in common with the practice of other public utilities and in other countries, they were a regulated industry, and to administer the regulation in 1904 the board of transport commissioners was set up. This is the short of it.

Mr. FISHER: But preferably it would be Canadian Pacific Railway policy if they could have it this way to be free of this regulatory control?

Mr. EMERSON: I think it goes beyond Canadian Pacific Railway policy.

Mr. FISHER: Let us talk about the C.P.R.

Mr. EMERSON: Perhaps you have read the McPherson royal commission report which also suggested that the regulatory control should be greatly relaxed.

Mr. FISHER: Relaxed, but if I understand the arguments of the president of the C.P.R. he would like to have the C.P.R. as much as possible out from under regulatory control by the federal government.

Mr. EMERSON: Because we think that the regulatory control which was introduced in an era in which the railways had a monopoly of land transportation is no longer appropriate for a time now when transportation is a highly competitive business in all fields.

Mr. FISHER: Do you recognize that the railways unions also are under considerable regulatory control from the federal government?

Mr. EMERSON: No, I do not.

Mr. FISHER: You do not recognize that they are?

Mr. EMERSON: No, sir.

Mr. FISHER: What about the fact that they could not legally strike on this particular issue which is embodied in this legislation?

Mr. EMERSON: They could not legally strike? I don't know; if it was dealt with as a matter of collective bargaining and they did not like it, I suppose they could strike so long as they complied with the regulations of the Industrial Relations and Disputes Investigation Act which applies to all unions and companies under federal jurisdiction.

Mr. FISHER: As someone of responsibility in the Canadian Pacific Railway, would you be prepared to put your management-labour relations in respect of this subject matter on the basis of such negotiation as could lead to a legal strike?

Mr. EMERSON: I do not think I quite follow your question.

Mr. FISHER: Is the C.P.R. prepared—because I assume you always are interested in seeking freedom, and I am sure you seek the same freedom for the unions as you do for management—to put the subject matter of this bill strictly within the contract framework and take it completely out of the context of anything to do with the government?

Mr. EMERSON: I do not know whether I am following you yet. If you are suggesting to me Bill C-15 should be dropped and the matter should become one for negotiation, that certainly is a possibility. In all fairness and honesty, I am bound to say to you that still does not alter my view that this is not an appropriate solution to the problem; that is, it is not an appropriate measure to be introduced either through legislation or collective bargaining.

Mr. FISHER: If you can, would you explain in more detail why collective bargaining is not an appropriate solution to this particular question?

Mr. EMERSON: Your question, Mr. Fisher, seems to stem, if I may say so, and I may be wrong, and if I am I am sure you will correct me, from the concept that here is something to which these people are entitled and therefore if they cannot get it through legislation they should be able to get it through collective bargaining, or vice versa. I think this is your premise, and I believe your premise is founded on erroneous grounds.

Mr. FISHER: Why?

Mr. EMERSON: I would point out to you this is not a matter which is appropriate for collective bargaining or legislation either, for that matter. The subject matter, of course, was covered in great detail in the brief of the Railway Association, but basically it comes down to this sort of thing; that in the first place provisions of this type are not required, because the position of the railway employees is not as was painted in the unions' submission.

Secondly, it would be inequitable, because it would impose on the railways—and it matters little whether it is by legislation or collective bargaining—burdens which other competing industry is not required to bear. Correspondingly, it would secure special benefits for railway employees over and above those available to the Canadian population and working force at large. In effect, it would make them a special class of citizens in Canada. I do not think that is right.

In the third place, it would be unsound, because it would really act to the detriment of the welfare of the railway employees as a group in the long run, because it would hamstring and render the railways less able to compete effectively with other modes of transportation.

Mr. FISHER: Let us forget the legislative solution; let us keep on with the collective bargaining solution. Mr. Wilson has indicated negotiations are underway and there is some kind of a job security plan which apparently he seemed to feel to be part of the answer to the problem. He said this is in the process of negotiation at the present time and has been for some time. This would indicate it is possible under collective bargaining to arrive at the kind of protection the railways workers want. I think you seemed to suggest that neither the legislative process nor the collective bargaining process should apply to this problem.

Mr. EMERSON: In the context that this is something over and above, and in addition to what is now in effect. May I carry on and give you an illustration of what I have in mind? I think I will have to carry this back to the Railway Association's brief, the second brief, particularly at pages 7 and 8, where it points out that the increases in wages and fringe benefits to railway employees during the post-war period generally have been in excess of the increase in productivity. You will recall, of course, at one place in the union brief it was suggested there had been a substantial increase in the productivity of railway employees, and some portion of this should be shared by the workers who are replaced as a result of automation and so on.

Mr. FISHER: You are bringing up something which is irrelevant to the point I am trying to make.

Mr. EMERSON: I do not think it is.

Mr. FISHER: I was assuming you were interested in the collective bargaining process as a way of management-labour settling their differences and their arguments without the government coming into it. Surely this contention is the kind of thing which can be settled between management and labour in collective bargaining, where the unions can use their economic strength and the railways can use theirs. Why does this not appeal to you?

Mr. EMERSON: It depends on the terms in which the proposition is put. If you, on behalf of the unions, will say to us, the railways, that if you will grant the benefits which are implicit in Bill C-15, and on the other hand the unions will accept a 10 per cent reduction in wages, we will have a look at it.

Mr. FISHER: In other words, it is possible to negotiate it?

Mr. EMERSON: You have to remember that under the Industrial Relations and Disputes Investigation Act there is no limit of any sort to the kind of demand which might be brought by a labour union. I know of none; it is wide open.

Mr. FISHER: Well, there are a couple of factors—

The CHAIRMAN: Order, gentlemen. I would like to remind the members of the committee that we are not abusing the privileges of other members because Mr. Fisher has had the floor for the last hour or so. We have had an understanding we will allow a member to ask all the questions he wishes to ask, and that we will not cut him off during his questioning. I understand Mr. Fisher is doing his best to be not too long. I hope that any member who is waiting to ask questions will understand I am trying to be fair in this regard. However, Mr. Fisher has been a little longer than some others. You may continue now, Mr. Fisher.

Mr. FISHER: Mr. Emerson probably knows, in a field such as this where legislation is concerned involving labour-management, the Minister of Labour and also the Minister of Transport have a responsibility. As a representative of the Canadian Pacific Railway, would you consider putting to those two gentlemen, who have responsibility in the area of policy in respect of the regulatory field and the legislative field, that this whole matter be opened up and that the C.P.R. would be willing to take the lead in seeing that this matter, by agreement, become a matter for discussion in respect of union contracts?

Mr. EMERSON: I must say, I do not understand the question. I do not know why the Minister of Transport and the Minister of Labour would be involved in it. After all, all the unions concerned have to do is to include it in their demands; it is their perfect right. That does not make it the proper thing to do, but it is their right.

Mr. FISHER: You know what actually has happened in the negotiations in respect of this particular matter. They never have been able to get before a conciliation board in terms of obtaining a recommendation which will affect this matter. You know, too, that the railway unions have a very difficult time in calling a strike.

Mr. EMERSON: They do?

Mr. FISHER: Yes; a very difficult time in terms of the role which people like Mr. McIlraith and Mr. MacEachen would play as ministers responsible in this area. What happened the last time when they called a strike?

Mr. EMERSON: Well, eventually they got their full demands.

Mr. FISHER: Well, Mr. Chairman, I will drop this line of questioning. I am sorry I thought Mr. Emerson would be eager to bring this whole thing within straight management-labour relations, which it does not seem to be. I would like to ask Mr. Wilson one last question in relation to some evidence he gave.

In respect of the run throughs and the changes which are involved here, is it possible, as far as you know, that this could become a legitimate matter of discussion in the contract negotiations which are pending with the running trades?

Mr. WILSON: Yes; it depends on how the union shapes their demands. I do not have a copy of the trainmen's demands with me, but I think they have a demand before us now to prevent changes of this kind during the period of the contract. I am not precise on the wording, Mr. Chairman. I may be a bit astray. The running trade organizations in the current situation were unable to strike legally because the action contemplated by the companies was not in violation of any of the terms of the collective agreements.

Now, in new negotiations, if the unions include a demand to prohibit the railways from applying run throughs, and if this is dealt with in collective bargaining and dealt with finally by a conciliation board, if it gets that far, then the law provides that after conciliation when the report is sent to the minister, he accepts it and sends it to the railways and the unions and seven days after the agreement is reached they can legally strike.

That is the point. Now, the contract of the trainmen expires at the end of 1963 and on the second of November the brotherhood of railroad trainmen served notice on us and included in it was the clause, "Any contemplated extension of runs, elimination or change of existing terminals, will be subject to negotiation and by mutual agreement". Now, if they are successful in having that rule or another rule to bring this about incorporated in their collective agreement, then of course we cannot do it without their consent and without their approval. However, if the contract negotiations are prolonged and go before a conciliation board and the chairman or the majority of the members of the board recommend that this not be granted, then the unions can strike seven days after that report has been released to them and to the company.

Mr. RIDEOUT: I have a supplementary question. Is it not true that negotiations did take place and were brought to a proper conclusion regarding the run through at Havre Boucher? Were run throughs from Truro to Halifax not negotiated?

Mr. WILSON: I do not think so, Mr. Chairman. I am speaking entirely from memory but we have had this type of run through in the Atlantic region for

many years, and I think they were discussed much the same as we tried to discuss them with the general chairman in the west commencing last February, as a result of which the arrangements were made.

Mr. RIDEOUT: They were negotiated and it was agreed upon between the crews at Stellarton and Sydney and it was agreed that there would be a run through between Stellarton and New Glasgow.

Mr. WILSON: There is a distinction between those two types of discussion because that was not a discussion or collective bargaining leading to contract renewal, this was a mutually agreed discussion between the organization and the company to work out a particular problem.

Mr. RIDEOUT: Is that always the case?

Mr. WILSON: Sure, but I am speaking to the point that Mr. Fisher made that they cannot strike under a circumstance such as that.

The CHAIRMAN: Do I understand Mr. Fisher is through with his questioning?

Mr. FISHER: I have a couple of questions more. However, I do not mind if Mr. Rideout continues his questions at the present time.

Mr. RIDEOUT: Have there been any recommendations made by the organization regarding the crews that Mr. Fisher mentioned in the northern prairie provinces? Has the general chairman of that district got together with the railway?

Mr. WILSON: I mentioned earlier this evening that our meetings were held commencing last February in the vice president's office at Winnipeg to discuss these matters with the general chairmen, and the general chairmen conceded that there was nothing to prevent these in the agreements. All the fuss was raised by an organization of running trades employees outside of the general framework of the senior system general chairman of the running trades organization.

Mr. RIDEOUT: Are these matters agreed upon in the same manner as the switching of limits by mutual agreement? I am wondering if this step has taken place.

Mr. WILSON: Mr. Chairman, quite frankly I do not know.

Mr. FISHER: I would like to ask a couple of questions about the unions. The unions have contended here in their presentation that the clause in the C.N.-C.P. Act is identical with the clauses that exist in the legislation of the United States that protect employees there. Did you make any comment or criticism to confound that particular contention?

Mr. WILSON: No so far today, Mr. Chairman, but I would like to comment in this way, that I think we discussed a few minutes ago the *raison d'être* for the C.N.-C.P. Act and how it came into being in the thirties. I would like to refer as well to a document that was appended to the proceedings of this committee called the Washington agreement of 1936, which sets out in great detail certain compensations that shall be paid to employees. My impression from reading the presentations was that members of this committee feel that the Washington agreement of May, 1936 provides for the railway employees in the United States something similar to what is now being requested in Bill C-15, if it passes into legislation, and that it protects employees in situations where they become redundant or lose their jobs or are laid off or fired or, as a result of automation, find themselves without work. Such is not the case because the Washington job protection agreement was an agreement which in the preamble said the following, and I should like to read it to you. Incidentally, if you look at your copy, you will discover that the Washington job protection agreement commences at section 7, and the first six sections are not there. I should just like to read some short excerpts from the first and the second sections. Section 1 says:

> Section 1. That the fundamental scope and purpose of this agreement is to provide for allowances to defined employees affected by co-ordination as hereinafter defined, and it is the intent that the provisions of this agreement are to be restricted to those changes in employment in the railroad industry solely due to and resulting from such co-ordination. Therefore, the parties hereto understand and agree that fluctuations, rises and falls and changes in volume or character of employment brought about solely by other causes are not within the contemplation of the parties hereto, or covered by or intended to be covered by this agreement.

The following is what appears under section 2:

> Section 2 (a). The term "co-ordination" as used herein means joint action by two or more carriers whereby they unify, consolidate, merge or pool in whole or in part their separate railroad facilities or any of the operations or services previously performed by them through such separate facilities.

It then goes on at much greater length to point out that this whole agreement is applicable only in cases of merger or coordination. Mr. Macdougall has pointed out to me here that the term "co-ordination" as used herein includes the period following the effective date of a co-ordination during which changes consequent upon co-ordination are being made effective. When it applies to a particular employee it means the date in the said period when that employee is first adversely affected as a result of such said co-ordination.

I think I gained the impression that, Mr. Chairman, members of the Committee held the view that this Washington protection agreement provided for railway employees in the United States same great blanket of protection against job loss as a result of automation, and that is not the case at all. The C.N.-C.P. Act was along the same line; it was not the consolidation or co-ordination or merger of the two railways but action taken in a co-operative spirit by the two railways under this legislation to eliminate duplication of service, and therefore to produce a more efficient transportation system. In those circumstances, the act provided that if men were displaced they would be entitled to certain consideration.

Mr. RIDEOUT: May I ask another question? Has this Washington joint agreement been used by the railways in the United States to any extent? We are quite familiar with the fact that in Canada this section of the Railway Act has not been used to any great extent.

Mr. WILSON: I do not feel competent to answer that question in depth or in detail. I have not kept completely abreast of what has transpired in the United States. There has been much talk of merger, much talk of co-ordination, and indeed at the time the agreement was passed in 1956 there was much talk of bankruptcy, and many railroads were in receivership, It was toward that end that some provision protecting the employees was felt to be necessary.

Mr. RIDEOUT: You are saying in effect, Mr. Wilson, that this Washington agreement has only been used in the case of merger?

Mr. WILSON: That is what the agreement says. I have not a detailed index of what the various cases have been, Mr. Chairman, in the United States but that is what the agreement says.

Mr. FISHER: I appreciate having that in the record and we will certainly get some opinions from the unions on the point. I will just remind you again that the principle of the bill is to protect the worker whose job becomes redundant. Whatever the circumstances may be, that is the principle, and that is the principle of the C.N.-C.P. Act. That is the principle we are seeking to put in this bill.

Mr. EMERSON: I want to comment on that point particularly, Mr. Chairman, because it came up before. I think you have recognized—and it should be recognized very clearly—that the Washington agreement and the C.N.-C.P. Act—and the provisions were somewhat similar—both applied to cases of merger or perhaps I should say merger in the Washington agreement and co-ordination or pooling in the C.N.-C.P. Act. In either of which events the railways were by merger or the pooling arrangements effecting a saving.

This was the mechanism, if you wish to put it that way, for passing some of this saving along to the employees affected for a period of time. In the circumstances which are involved in Bill C-15 a very different set of conditions applies. Here you are in a situation where the railway is faced with an abandonment of one sort or another of a line or a terminal, or whatever it may be. No railway of which I know abandons a line briefly or willingly or joyfully. It does so only when it has reached the end of the road to the point where the costs of operating the line—and this is material affected by wage levels—have risen so high and are so much in excess of present and prospective revenues earned by the line that there is no alternative but to abandon it. This is not a case of making a savings; it is certainly just eliminating a loss and this is a very different set of circumstances.

Mr. RYAN: I would like to ask a few questions of Mr. Wilson and possibly one or two of Mr. Emerson.

Mr. Wilson has told the committee that the Canadian National Railways has contracts with 35 unions. Is that correct?

Mr. WILSON: Yes.

Mr. RYAN: Do you have to deal independently with the heads of each of these unions, or are some of the heads of these unions representing more than one union?

Mr. WILSON: In the non-operating group, for example, headed by Mr. F. H. Hall, there are 14 unions banded together in a concerted movement and when it comes to wage negotiations they present a set of demands that are germane to the group as a whole, and we deal with them collectively through a committee. But when it comes to individual ad hoc arrangements the negotiation of a new set of rates for new jobs that have been created or a new set of conditions in this or that circumstance, we deal between contract periods individually with the senior officers of the individual unions concerned. The shops crafts represented by division 4 of the railway employees department A.F. of L.-C.I.O. has federations on the various railways, systems federations, and the agreements of the maintenance of rail employees are negotiated in the name of the railway association covering the railway members of the association and those particular unions. It is a complex set-up.

Mr. RYAN: I can see that.

Mr. WILSON: We deal individually, yes, on occasion with the senior officers of all the unions.

Mr. RYAN: Apart from these ad hoc situations, with the heads of how many different unions would you ordinarily have to deal in a year?

Mr. WILSON: I think all of them. I have not kept score, but I know them all and they are frequently in our offices discussing items for the general welfare of the employees they represent and the company and their union.

Mr. RIDEOUT: Down the line they are discussed every day?

Mr. WILSON: Yes.

Mr. RYAN: Is there any standard agreement or any standard term of years entered into with each of these unions?

Mr. WILSON: That is rather flexible, Mr. Chairman. The trend recently has been to longer agreements. We have a number of three-year agreements and we even have five-year agreements. We have a five-year agreement now covering all the maritime employees on the Newfoundland steamships.

Mr. RYAN: Correct me if I am wrong, but I believe you said that a man cannot exercise seniority outside his own union.

Mr. WILSON: He has no seniority outside his own union.

Mr. RYAN: There is no overlap in any one of the 35?

Mr. WILSON: In the eyes of the union there is no relationship between ½ employment with the company and seniority. They are two separate things.

Mr. RYAN: And even inside his own union a man has to start at the bottom quite frequently?

Mr. WILSON: If he moves from one seniority list to another.

Mr. RYAN: So in effect this is the reason you are giving to the committee for these strictures being a hardship on the railway?

Mr. WILSON: We have made considerable progress, as I indicated this afternoon, in getting more flexibility into some of these seniority provisions and consolidating some agreements and widening the area over which an employee can exercise seniority, therefore giving him great job opportunity, you see.

Mr. RYAN: When a company makes a move now it does know that the union contracts often prevent the proper placement of a displaced man? They know that in advance and have to take that into consideration, and therefore to some extent it discourages the move? Is that correct?

Mr. WILSON: That is right.

Mr. ORLIKOW: Really? Now, Mr. Wilson, you know better than that.

The CHAIRMAN: Order.

Mr. RYAN: Is a man ever allowed to exercise seniority outside his territory, and if so, what moving assistance is given to him, if any, by the company?

Mr. WILSON: There again when a man exercises his seniority, there are varying provisions and quite a variety of them with various unions, he is provided with free transportation.

Mr. RYAN: Outside the territory?

Mr. WILSON: Where he exercises his seniority, where he has a right to exercise it.

Mr. RYAN: He cannot go outside a certain territory?

Mr. WILSON: If he goes outside his territory he is going in as a fresh, new man; but this seldom happens.

Mr. RYAN: Do the territories vary?

Mr. WILSON: The territories vary, yes.

Mr. RYAN: You could not give any average size?

Mr. WILSON: It depends on different employment. Sometimes it is a shop; it used to be a division; at the present time it is an area; and sometimes it is a region. We have five regions in Canadian National Railways in this country and 18 areas.

Mr. RYAN: In the case of Moncton, that was mentioned, did the board give any instruction to the Canadian National Railways in regard to the compensation of employees or financial losses under section 182?

Mr. WILSON: What board?

Mr. RYAN: The railway board.

Mr. WILSON: The railway board had nothing whatever to do with this. This was an arrangement between the shop craft organizations, the employees, the municipal authorities of Stratford, the C.N.R. and the unions.

Mr. RYAN: Was section 182 not in force at the time?

Mr. WILSON: It had nothing to do with it as far as I know.

Mr. RYAN: It says the company "shall not at any time make a change, alteration or deviation in the railway or any portion thereof".

Mr. WILSON: We closed a shop.

Mr. RYAN: You are saying this did not apply?

Mr. WILSON: I suggest to you, Mr. Chairman, that if we had not felt like going into this thing at great depth and making a study in depth of the whole situation it might well have been the action of the railway to say that "Stratford shops are going to close in six months time. Good bye". That is what was done by a large industry very recently in Montreal; in other words, they decided to go out of business in that area.

Mr. RYAN: I just wanted your view that this section did not cover this situation and you did not feel you had to go to the board at all.

Mr. WILSON: No.

Mr. RYAN: I think those are all the questions I have for you; thank you. I would like to ask Mr. Emerson how many unions he has?

Mr. EMERSON: Canadian Pacific Railway has agreements with a total of 31 unions; not all of these relates strictly to the railway end of the business. I think the railway itself involves about 19.

Mr. RYAN: Do the same seniority rules pretty well apply in respect of the C.P.R. as in the others?

Mr. EMERSON: No. I think generally the circumstances are similar. They are rather involved. Covered by the 31 unions, we have a total of 223 separate agreements; so, the number of agreements is much larger than the number of unions. Seniority varies widely; it varies according to different crafts of unions. In the mechanical trades and in the shop crafts generally, it is point seniority at a particular position or terminal, as the case may be. I am giving you a few examples. In respect of maintenance of way employees, seniority is on a division basis. Generally a division is something in the order of 600 or 1,000 miles of railroad. In the running trades, certainly the enginemen in British Columbia, I think, cover the entire province. Then you have others which leap over from one area or one territory to another. It is really quite a hodgepodge.

Mr. RYAN: Is the C.P.R. as generous in dealing with its employees when they move as is the C.N.R., as Mr. Wilson described it?

Mr. EMERSON: I have not compared this, strictly speaking; but just from what Mr. Wilson has said I am inclined to think perhaps we have to be somewhat more stringent.

Mr. RYAN: That is the impression I had.

Mr. REGAN: In summing up the conclusions I seem to have reached from the questions and answers, Mr. Emerson, would you agree that if the question of remuneration in itself envisaged by the bill was left to a process of collective bargaining, this would not be a recognition of employees as a special class of citizens?

Mr. EMERSON: I certainly think it would confer benefits on them which are not available generally to workers in Canadian industry as a whole. I think it would give them a very special provision.

Mr. REGAN: Surely it would not make them a special class of citizens if you were successful in terms of their taking a smaller wage increase, or something, in respect of doing something such as this through a bargaining process?

Mr. EMERSON: But it may be a very shortsighted policy, because in a matter of a year, in the next round, this sort of thing is forgotten. Frequently we are confronted with the suggestion that workers in other industries generally have this and we should have it too; or wages have gone up so much here that we should have it also.

Mr. REGAN: Is not one of the difficulties the unions have that if some unions are making less than others, when you come right down to it, the rank and file primarily are interested in the items which are going to put immediate dollars and cents in their pockets. It is difficult for a union negotiating team to get support for holding out for a measure such as this, unless they can get it with the cost items which give immediate benefits. So, do you not think it is more difficult from their position to obtain it?

Mr. EMERSON: I think that is a question which should be put to the union representatives. I have no information or knowledge on that.

Mr. REGAN: I am sure you are not that naive; your participation in the bargaining processes has shown that.

Turning to the other side of the question, dealing with the statutory provisions, which I think I gather you people oppose more strongly than dealing with it through collective bargaining, as I understand it you do not want to deal with it at all if you can avoid it, but you would rather deal with it by collective bargaining than have a statute thrust upon you.

Mr. EMERSON: I think I disagree with that. I do not know what the implications are. Legislation is forced down your throat. In collective bargaining it may also be. I cannot envisage what the circumstances are.

Mr. REGAN: Turning to what is the worst in your view—and that is the question of legislation, if legislation were to ensue, or if this committee were to make a recommendation in respect of legislation—let me ask you this: would you prefer legislation which would spell out in great detail exact circumstances in which this would apply, or would you prefer great latitude left to the board to determine the circumstances and amounts in which compensation should be paid?

Mr. EMERSON: Well, you rather put me between the devil and the deep blue sea, if I may say so. It is not a choice I would like to make.

Mr. REGAN: You would not comment on that at all?

Mr. EMERSON: I do not think I can at this stage.

Mr. REGAN: Have you a comment, Mr. Wilson?

Mr. WILSON: I do not think I would like to comment on it.

Mr. EMERSON: We still have faith that the members of this committee are intelligent, as we can see, and upright men and that they will see the error of the proposition which is put before them in this bill.

Mr. REGAN: If we are going to go against you, you are not going to give us any help in the drafting. I think that is about the total content of my questions. However, I might ask Mr. Emerson and Mr. Wilson a question in respect of what someone said earlier about this applying only in the prairie provinces. Is there any case for application of the provisions outlined in Bill C-15 in the maritime provinces?

Mr. EMERSON: I can only say this, that as written the bill is not limited to any particular area. I assume that the point of view you have expressed is related perhaps to what I said earlier in respect of the branch line principle as a

whole, under the recommendations and the prognostications of the royal commission; that is not all but the greater part of these line abandonments probably would take place on the prairies, and therefore that application of this bill as it relates to line abandonments, presumably would be concentrated on the prairies to a great extent.

Mr. REGAN: When you speak for the C.P.R., you also speak for the D.A.R.?

Mr. EMERSON: Yes; I speak for the D.A.R. also.

An hon. MEMBER: May I call it ten o'clock.

The CHAIRMAN: I believe I have to accept it as being ten o'clock. Before I do, is it your wish that we sit next Tuesday from ten to 12? We will adjourn until next Tuesday at ten o'clock.

APPENDIX "J"

Brotherhood of Locomotive Firemen
& Enginemen,
Trans Garry Lodge No. 597,
Winnipeg, Manitoba.

To—

The Rt. Hon. Prosper Boulanger, M.P.
Chairman, House of Commons Committee on
Railways, Canals and Telegraph Lines,
Parliament Buildings, Ottawa, Ontario.

157 Oakwood Avenue,
Winnipeg 13, Manitoba.
November 16, 1963.

Honourable Sir:

Please be advised that Trans Garry Lodge No. 597 of the Brotherhood of Locomotive Firemen And Enginemen, Winnipeg, Manitoba has gone on record endorsing the Railway Brotherhoods' brief seeking amendments to Section 182 of The Railway Act.

An amendment to Section 182 of the Railway Act is, in our opinion, long overdue, and it is our sincere hope that this will be corrected so that employees affected by technological advances will be given appropriate consideration.

Very truly yours,

ERWIN F. SCHMIDT
Recording Secretary, Lodge No. 597
Brotherhood of Locomotive Firemen
and Enginemen.

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

TUESDAY, DECEMBER 10, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

WITNESSES:

From the Canadian National Railway: Mr. W. T. Wilson, Vice-President, Personnel and Labour Relations; Mr. J. W. G. MacDougall, General Solicitor; Mr. A. J. Bates, Manager, Industrial Relations (Research). *From the Canadian Pacific Railway:* Mr. R. A. Emerson, Vice-President.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

29717-6—1

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Emard,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*),
Watson (*Châteauguay-Huntingdon-Laprairie*),
Webster—60.

(Quorum 15)

Dorothy F. Ballantine,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, December 10, 1963.
(10)

The Standing Committee on Railways, Canals and Telegraph Lines met at 10:20 o'clock a.m. this day. In the absence of the Chairman, the Vice-Chairman, Mr. McNulty, presided.

Members present: Messrs. Beaulé, Bélanger, Berger, Cantelon, Cowan, Crouse, Fisher, Foy, Granger, Guay, Horner (*Acadia*), Howe (*Wellington-Huron*), Irvine, Lamb, Laniel, McNulty, Orlikow, Pascoe, Rideout, Rock, Ryan, Rynard, Stenson, Tucker, Webster,—(25).

In attendance: From the Canadian National Railway: Mr. W. T. Wilson, Vice-President, Personnel and Labour Relations; Mr. J. W. G. MacDougall, General Solicitor; Mr. A. J. Bates, Manager Industrial Relations (Research); Mr. E. L. Murray, Labour Relations Research Officer; Mr. B. D. Brisson, Research Analyst, Mr. R. Boudreau, Solicitor. *From the Canadian Pacific Railway:* Mr. R. A. Emerson, Vice-President; Mr. J. A. Wright, Q.C., General Solicitor; Mr. John C. Ames, Assistant to the Vice-President; Mr. Jack Ramage, Personnel Department.

Also present: Mr. Charles Cantin, M.P., Parliamentary Secretary to the Minister of Transport.

The Committee resumed consideration of the subject matter of Bill C-15, an Act to amend the Railways Act (Responsibility for Dislocation Costs).

On motion of Mr. Rideout, seconded by Mr. Fisher,

Resolved,—That Mr. Howard Chase of Montreal be invited to appear as a witness.

Mr. Wilson and Mr. Emerson were questioned, assisted by Mr. Bates and Mr. MacDougall.

After further discussion and questioning, on motion of Mr. Foy, seconded by Mr. Crouse,

Resolved,—That this Committee adjourn insofar as the railways are concerned, and hear Mr. Howard Chase at the next meeting.

On the suggestion of Mr. Fisher, it was agreed that the Sub-Committee on Agenda and Procedure should meet to consider the calling of Mr. Chase, and also to consider a recommendation to the House that this subject be again referred to the Committee at the next session of Parliament and that the evidence taken during the present session be also referred to this Committee for further consideration.

At 12:15 p.m., the Committee adjourned to the call of the Chair.

Dorothy F. Ballantine,
Clerk of the Committee.

29717-6—1½

EVIDENCE

TUESDAY, December 10, 1963.

The VICE CHAIRMAN: Gentlemen, we have a quorum; will you please come to order.

I would ask that members of the committee keep their questions short and relevant. I know the witnesses who are here as well as the other members of the committee would appreciate that.

We have to have a translation again this morning because we do not have the necessary mechanical aids to speed up the meeting.

Mr. RIDEOUT: Mr. Chairman, I am not too familiar with the procedure in respect of the calling of witnesses, but I have a suggestion to make at this time.

Would there be any objection if we asked Mr. Howard Chase to come and give evidence before this committee?

Mr. Chase is very thoroughly acquainted with the background of the subject under discussion. He served as head of one of the running trades for many years in Canada. He is a retired member of the board of transport commissioners, and he has served with the C.B.C.

Mr. Chairman, as I say, I would be hopeful in having Mr. Chase appear before the committee, and I was wondering what the procedure is in respect of this. I do know that it would be advantageous to all members of this committee if we had his advice in respect of the situation now before us.

Mr. FISHER: Mr. Chairman, I also would like to have Mr. Chase as a witness because he happened to be involved in the legal turn that resulted in an interpretation of the section involved, which indicated to the politicians that they had not enacted what they thought they had.

Mr. Rideout is correct in his outline of this man. As a retired member of the board of transport commissioners Mr. Chase would be very close to this particular section and the possibilities therein.

The procedure to be adopted in bringing this man here is to fill out a form and to obtain the permission of the committee once the form is filled out to have him come.

Now, there is only one difficulty in the way of all this, and this is why I would like to have a steering committee meeting today. As you know, we are getting pretty close to the end of a session, and I am sure all the members are aware that the pressure is on. This may be a long shot, but I think the steering committee should meet and discuss whether or not we should put a proposal to the various party house leaders to see if it is possible, if there is unanimous agreement on behalf of the parties, to transfer the evidence of this session into the next session so we can get on with a report. I understand this is being given very serious consideration in respect of another important committee of the house, and I think it might be possible for us to do the same.

Therefore, I would support Mr. Rideout's suggestion, but I also feel a steering committee should consider ways and means of having the evidence which we have gathered and the reference transferred by agreement into the next session.

Of course, this is an informal arrangement; it has to be passed by unanimous agreement of the parties in the house and have the concurrence of the government house leader.

The VICE CHAIRMAN: As we have witnesses here this morning, would it meet the wishes of the committee if we left this matter over until after we have questioned the witnesses? I am in the hands of the committee in this respect. However, we may continue for half an hour on this subject and, meanwhile, the witnesses are all awaiting. As I say, perhaps we could continue with the evidence, unless you are ready to vote yes or no in respect of this matter of calling the other witness.

How many members of the committee are in favour of asking this witness to appear?

Some hon. MEMBERS: Agreed.

The VICE CHAIRMAN: It is unanimous.

At this time we can proceed with the witnesses. Mr. Orlikow has a question; would you proceed?

Mr. ORLIKOW: I would like to ask Mr. Wilson a question.

During the last few days it has been suggested, I think, by representatives of both companies that with the completion of the dieselization program the day of large scale layoffs is pretty well over and, therefore, the passage of this kind of bill which we are discussing is really not as important as it would have been before the dieselization program was put into effect. At least, this is the impression I get.

I wonder if Mr. Wilson could give us some idea of what the effect on the Canadian National Railways, for example, will be if the company goes ahead with programs, which I am sure they are considering, for the automating of office jobs through the use of new types of equipment for billing, accounting, inventory control and so on. Is not the reduction of staff going to be just as drastic a measure in that part of the railway as the diesel program was in respect of the non-operating and operating staffs?

Mr. W. T. WILSON (*Vice President, Personnel and Labour Relations, Canadian National Railways*): Mr. Chairman, over the period of the last few years we have made considerable progress with what we call integrated data processing and the mechanization of payroll accounting, and the transmission of information of various types by punch tape and that sort of thing.

I think perhaps the greatest impact over the past few years has been in our revenue accounting section, at headquarters where there has been a reduction in staff. But, I think it has reached a peak. Up to the end of October, 1963, we had a decrease in the revenue accounting staff of 431 people, without a single layoff. Retraining transfers and attrition took care of most of these job reductions.

In the future, the extension of the electronic data processing and that type of thing undoubtedly will change the composition of the work force but, as in the case of dieselization, I think we have passed over the hump. Indeed, looking at our staff figures, from 1961 forward, the number of registered laid-off employees has been decreasing at the rate of 2 per cent per month, and that is right up to the end of September, 1963.

Mr. Bates, manager, industrial relations, research, has some of these statistics with him and perhaps at this time he could make a comment in this connection.

Mr. A. J. BATES (*Manager, Industrial Relations, Research, Canadian National Railways*): Mr. Chairman, I just want to re-emphasize that if one looks at some figures for the period January, 1961, up to and including September, 1963 in respect of the number of lay-off registrations at our employment

offices across Canada one will find there has been a very substantial decline in the number of registered laid-off employees. As a matter of fact, in September, 1963, we had something like 294 employees who had registered with the employment offices as being laid-off; this is below the figure for September, 1962, and substantially below the figure of September, 1961.

As Mr. Wilson pointed out, it represents an average monthly decline of 2 per cent in the number of registered laid-off employees at all our employment offices throughout Canada. Of course, this indicates the lay-off problem is becoming less and less in the Canadian National Railways.

Mr. ORLIKOW: I am very interested in what is, to me, a new idea, that the company has what they have called lay-off figures.

Could we be told what is meant by lay-off figures?

Mr. BATES: Our records indicate the employees who are laid-off for a period in excess of 30 days within the company, and when I quoted the figure of 294 employees laid-off and registered with the employment offices for the period, September, 1963, it means those who have been laid-off for the period in excess of 30 days and had registered with the employment office as indicating a wish for reemployment with the company.

Mr. ORLIKOW: Other than the lay-off figures, does the company have a record, say, if a person was laid-off six months or a year ago and since has been called back?

Does the company have a record that that person is back at work with the company?

Mr. BATES: Yes.

Mr. ORLIKOW: If that is the case, could the company supply to the committee this information since apparently they have these month by month figures. I think this would be very useful to the committee in trying to reach a conclusion in respect of how important this legislation is. If the company could provide records for the last three or five years in respect of the number of people month by month who have been laid-off by the company and how many of these have been retired, then we would know the extent of this problem and whether or not this kind of legislation is important.

Could the company file this information with the committee?

Mr. BATES: Mr. Chairman, I would like to make a supplementary statement to what I said earlier when I indicated an employee was laid-off and had an opportunity of registering with any of our employment offices across Canada. He does not have to wait 30 days; he can register the day he is laid-off. We have a very detailed procedure which would enable an employee to register as a laid-off employee.

The VICE CHAIRMAN: If I may interrupt you, Mr. Bates, I would ask that certain members of the committee refrain from talking to each other as it makes it rather difficult for the remainder of the members to hear.

Mr. BATES: Mr. Chairman, in respect of the last question by Mr. Orlikow in regard to producing laid-off statistics, the difficulty with some of these statistics is they can be quite misleading. For instance, lay-off statistics might include such employees as seasonal employees who really do not expect to work full time with the company for many different reasons. Therefore, to publish any of these statistics without detailed qualifications and background information could be misinterpreted and misleading.

Mr. ORLIKOW: Could the company supply these figures together with an interpretation of same? Sometimes I am easy to get along with.

Mr. BATES: With the permission of the Chairman I wonder if I could give some further consideration to this request from Mr. Orlikow.

I do not know that we have the figures in precise detail in regard to all the information you requested and, therefore, it would be appreciated if I could have an opportunity to give some further thought to this.

Mr. ORLIKOW: Mr. Chairman, I would like to direct some further questions to Mr. Wilson and then I will ask Mr. Emerson to tell the committee whether or not the C.P.R. could give information along the same line.

Mr. WILSON: Mr. Chairman, is that really the purpose of this bill? Is this bill not directed to loss of employment by railway employees who may be displaced as a result of the closing of a station, a facility, or a line abandonment and that kind of thing?

We are speaking here about the general subject of railway employment and railway lay-offs. It must be remembered that when people are laid-off from a railway job they have the benefits of the unemployment insurance payments and are subject to recall.

I mentioned at our last meeting some of the provisions that are now under negotiation in connection with job security and so on. Is this yet another measure to deal with all railway laid-off employees or is it a measure to deal with those people who are removed from a specific locality because of some action taken by the railway?

Mr. ORLIKOW: Mr. Chairman, without debating with Mr. Wilson whether, technically, he is right or wrong, this committee has been ranging pretty widely and even if this goes a little beyond the terms of reference it seems to me that parliament is going to have some tremendous problems to face in the whole field of transportation and any information we may be able to obtain in respect of what happens to employment and so on certainly will be very useful.

I, personally, do not think this is beyond the terms of reference of this committee and I do not think we should become too technical at this stage of our hearings on how far the committee goes in its questioning.

The VICE CHAIRMAN: I believe, Mr. Wilson, that Mr. Orlikow is just asking if this information could be made available; if in the sense you feel it is not really pertinent and would be quite an inconvenience to make it available, then that is your choice too.

Mr. R. A. EMERSON (*Vice President, Canadian Pacific Railway*): Mr. Chairman, in response to the question which Mr. Orlikow raised a few moments ago, I would like to say that in so far as the Canadian Pacific Railway is concerned the supplying of information of the type in question would be a very formidable undertaking and would require a very lengthy period of time to assemble, if it is practicable to do so.

To give you some idea of what is involved, it would mean checking over the payrolls for the past one or two years, or whatever period you had in mind, determining which employees were working at a particular time and which were not, and in respect of those employees who were not working whether their lay-offs or cessations of employment were due to a reduction in the volume of traffic, to a change in procedure in organization, or to a change in train service. Also, there might be many other reasons that I cannot think of at the moment. Conceivably, it could also be as a result of illness; he could be laid-off of his own accord or for personal reasons. In each instance you would have to find out which it was. Finding out, in itself, is not a very easy job or a job that is easily undertaken. For example, let us say someone in train service works in March and does not work in April, and the reason he does not work in April is that he was bumped by someone else. Was the absence of the fellow that bumped him due to the fact that he was on holidays in March and came back to work, a fall-off in traffic, a change in train service or many other reasons?

I would also like to support what Mr. Wilson said, that the great mass of information that you would get of this type would be unrelated to the purpose of this bill.

The VICE CHAIRMAN: Mr. Orlikow, have you a further question?

Mr. ORLIKOW: Mr. Chairman, I only raised this matter because I was told by a representative of the Canadian National Railways that they have lay-off figures, and it seemed to me if they had them they would be very useful in showing up what the problem is. Now, it also has been said that the lay-offs are becoming less and less and that the officials do not foresee any large scale lay-offs in any plans they have in the foreseeable future. Even if the bill was passed it would not be restrictive so I do not know why this information could not be supplied. However, I am not going to pursue this matter.

Mr. Chairman, I would like to ask a few other questions. In the submission made by the railway association it has been suggested—I could quote the paragraph but I do not think it is necessary—that if this kind of legislation was passed, which extends the benefits to the employees, it would be putting the railways in a particular position in respect of not only the transportation industry but in a unique position in so far as industry as a whole is concerned.

I will mention three industries which have instituted programs of increased benefits to their employees. These, in fact, have done the same kind of thing in collective bargaining. The three I am referring to are the supplemental unemployment insurance benefits in the auto industry, which are negotiated with the auto companies, the kind of private sharing plan which the united steel workers have negotiated with Kaiser, and the agreement between the longshoremen and the west coast companies in respect of containerization, where the actual savings to the companies, through containerization, are shared with the employees and put into a special fund which is used to pay them until they can retire at their regular time. Are these not the types of benefits which are envisaged in this bill?

Mr. WILSON: No. Mr. Chairman, with respect to the examples Mr. Orlikow quoted it is significant to recognize that in each of these instances these were negotiated arrangements between the workers' representative and the industries concerned and were not a subject of federal legislation.

Secondly, I do not think in any of those plans or schemes there is any special or particular emphasis given to compensating employees for losses in respect of the sale of real estate and that type of thing, which has been referred to several times in this committee, when men are displaced.

I would like to revert and say when Mr. Bates referred to the statistics which he put on the record he was speaking about historical events, something that happened in the past, and we have a complete record of those employees who have been laid-off and who have registered for work with our employment offices. Now, of course, there are others who did not register for work with the employment offices but relied on their recall in seniority order based on their position on the seniority list. Those who registered with the employment offices were available for other types of work or for retraining. We have had considerable success in dealing with a large number of employees on that basis.

But, in answer to Mr. Orlikow's comment, I think the two main points would be that in the three instances he mentioned, and in some others I could mention, there have been negotiated agreements covering this type of thing, but certainly not by legislation.

I think we have demonstrated in the previous session that in our study of some branch line abandonment applications we are prepared to state with accuracy or what I consider to be reasonable accuracy, that the number of men who might be displaced could be accommodated, through attrition. In the

Saskatchewan and Assiniboia areas there would be some 600 employees involved. Our examination of the length of service, age, and the application of normal attrition factors indicates there would be no problem if those abandonments took place over a period of five years. I mentioned that we might, indeed, in phasing out these abandonments find ourselves in the position of having to transfer men in or to hire new men to maintain the service until abandonment date arrived. It is anticipated that those abandonments, if approved, would be phased out over a period of two to 15 years.

I think our forward planning in that respect is pretty complete and, Mr. Chairman, with great respect, I do not think there is much point in going back into the historical events of the past by asking: what were the layoffs in the past five years? We refer to them casually to indicate that the current trend is downward.

Mr. ORLIKOW: It is my understanding that the three examples I gave were achieved by collective bargaining. The reason that this bill is here is that the unions up until now have been completely unsuccessful in getting this kind of thing or anything like this through collective bargaining. It is all very well to say they should get it through collective bargaining, although I thought Mr. Emerson suggested the other day that they should not get it either through legislation or collective bargaining.

Mr. EMERSON: Not necessarily.

Mr. ORLIKOW: But, how could they get it through collective bargaining if the company is saying no? Let us be realistic. Twice in recent years, one in respect of the firemen when the strike was actually called, and the second time when a strike was threatened by the non-operating unions the government of Canada and parliament stepped in and said there could not be a strike. If there cannot be a strike then you cannot get these things through collective bargaining. To me, there seems to be no other alternative.

In regard to this question of rail line abandonments, we keep hearing this takes a long time. I have some figures here which show that in the year 1962 alone, as a result of rail line abandonments approved—not proposed, but approved by the board of transport commissioners, the railways were relieved of costs in the amount of $502,000 a year, and during the discontinuance of passenger service there were relieved of costs in the same year, as a result of orders by the board of transport commissioners, in the amount of $522,000, which is over $1 million a year in perpetuity, beginning in 1962.

Do you not think that the railways should share with their employees part of this saving which they are making through changes, as other industries and companies have done?

Mr. WILSON: Mr. Chairman, I think I should say—assuming that Mr. Orlikow's figure is correct; I have not the information or statistics here to indicate or to comment on the $500,000 odd he spoke of—this is not a saving in the true sense of the word; it is a reduction of loss. It reduces our loss on the operation of these lines, and there is a very vast difference.

Mr. ORLIKOW: Mr. Chairman, I do not follow Mr. Wilson. These are lines which the companies were running or passenger service which the company was offering.

Mr. WILSON: At a loss.

Mr. ORLIKOW: I am not arguing about the fact there was a loss; of course, there was, and that is why the Canadian Pacific Railway and the Canadian National Railways went to the board of transport commissioners and asked for permission to discontinue or abandon the line or to discontinue the passenger service. I am not saying this was the total revenue. I can go into details and give the facts on which the decisions were made because I have them. But,

these are the figures the company supplied to the board of transport commissioners in support of their application for a discontinuance. I am not saying they are going to save $1 million a year but they are going to have substantial savings. It does not mean they would have had a profit but the loss is gone. I am suggesting there is nothing wrong with the employees sharing with the company the benefits that accrue to the company. This is standard procedure at the present time.

Mr. EMERSON: Mr. Chairman, I would like to speak to this point because it touches on one we discussed the other day but which, apparently, we have not succeeded in making clear to Mr. Orlikow; that is, the vast difference between a case in which a reduction in loss has occurred during abandonment of a branch line or a passenger service, as the case may be, and one which he referred to in the case of containerization, I think it was, where there was a sharing, if you like, of the benefits and savings.

Mr. Chairman, I submit these are very different things. The railways apply for abandonments of the branch lines or passenger services only when over some considerable period of time revenues are substantially below expenditures and, therefore, there is a burden on the company, on its other services and on its shareholders. I find it a staggering proposition to suggest that the relief of that burden, through the action of the board of transport commissioners in permitting the discontinuance, should be placed on the railways or continued on the railways through the payment of some kind of benefit to employees. As I say, it is a staggering proposition. All you are saying is having made the saving or reduced the loss we should, in effect, continue to bear the loss and pay it out to the employees.

Mr. ORLIKOW: I did not say that; I said you should share part of it.

Mr. EMERSON: Mr. Orlikow referred to certain particular agreements. It was not clear to me, of course, whether they were concluded in Canada or in the United States. I suspect the latter. It is not perhaps germane to the present situation but, as I pointed out, the containerization proposition, as he described it, was a very different one and, in that respect, as I pointed out in the railway association brief, in fact, railway employees have received substantially more than the increase in productivity over the years, from 1952 to date, by virtue of increased wages and fringe benefits, having obtained everything that had been brought about through dieselization, plus something more. As I said, all of that, plus something more.

Mr. FISHER: So you say.

Mr. EMERSON: Yes, and I think I can prove it.

Mr. FISHER: I have followed some of the arbitration reports.

Mr. EMERSON: I can give you figures to prove it.

Mr. FISHER: But there is another side to it.

Mr. EMERSON: I think not.

Finally, in respect of Mr. Orlikow's point, while these agreements to which he referred were concluded by collective bargaining the unions involved here have not been able to conclude collective bargaining successfully with the railway on these matters, I suggest that is not a definitive test. It might be conceivable—and I am not being facetious in this—that the unions could place a demand on railways and it would be quite within the scope of the Industrial Relations and Disputes Investigation Act that every member could be presented with a new cream coloured Cadillac every year, and the fact they did not get it surely would not be a matter for consideration by this committee, and that since they were not able to get it by collective bargaining they were entitled to get it by agreement. If I may say so, gentlemen, this is where this type of legislative thinking leads you.

Of course, you referred also to the firemen's dispute and to the last non-operating dispute. The action of parliament in the last non-operating dispute, as Mr. Orlikow well knows, really only suspended the strike for a period; it did not remove the right to strike. In regard to the dispute with the firemen, the fact of the matter is that in so far as the Canadian Pacific Railway was concerned the dispute was settled only after two strikes, after a report of a conciliation board, after a report of the royal commission and the fact that the great majority of employees got full protection.

Mr. ORLIKOW: I have one more question, Mr. Chairman.

If I may, I would like to say at this time that I do not see any purpose of my continuing the discussions with Mr. Emerson because, obviously, we would be discussing this for the next ten years and still disagree.

In my opinion, the employee who has worked for any company for ten or 15 years, or 20 years, has as much right and as much of a vested interest in that job and in continuing employment as such executives of the company as Mr. Emerson; perhaps they have more right. But, certainly he has as much right as the shareholders to get a profit. As I said, I am not going to continue that because I do not think we would ever agree.

Mr. Chairman, I would like to put one more question and then I am finished. I understand the Canadian National-Canadian Pacific Act was passed to take care of employees who are affected by amalgamation or co-operation in a particular service between the Canadian National Railways and the Canadian Pacific Railway; in other words, if they amalgamate a line or a service and some of the employees are laid-off this act is intended to cover such a situation. I would like to know if this act will work and will benefit the employees as a result of the master agency plan which has been drafted in the field of telecommunications. It is my understanding that in this respect only one system will emerge for these two competing systems. If this act does not apply, why not and in which way does it work?

Mr. WILSON: Mr. MacDougall will speak to that question, Mr. Chairman.

Mr. J. W. G. MACDOUGALL (*General Solicitor, Canadian National Railways*): Mr. Orlikow, the Canadian National-Canadian Pacific Act, as you recall, was passed after the hearings of the Duff commission at the beginning of the 1930's; it was not designed directly to deal with employees' problems but to arrange co-operative measures between the Canadian National Railways and the Canadian Pacific Railways. As a result of the report of that commission, it was some six years later, I believe, that the provisions, which are now contained in the act, were put into the act, in respect of compensation for employees.

Now, under that act the master agency scheme, of which you spoke and which is developing in the Canadian National Railways, is not a co-operative measure under the Canadian National-Canadian Pacific Act; it is being done by Canadian National Railways as a re-arrangement of its system of agencies throughout Canada. Therefore, that type of activity does not come within this act. The Canadian National-Canadian Pacific Act does not prevent either company making arrangements or re-arrangements of their facilities, nor does it prevent them co-operating with each other to do many things that are done.

As you spoke of telecommunications I might mention a case in Fort William in which there was a combination of offices. In that case the approval of the board was sought because there was a pooling of information and under the Railway Act they are required to get approval for that. But, none of the employees was affected through loss of work. In other words, the combination

was effected in such a way the employees were not particularly disturbed, so there were no applications there of the provisions of the Canadian National-Canadian Pacific Act in respect of compensation.

Mr. ORLIKOW: Mr. Chairman, I have just one supplementary question. This program is just beginning; it is, as I understand it, going to be extended to various parts of Canada, as a result of which the employees are very worried that part of the savings will be made at their expense since there will be fewer employees in telecommunications required because of the need for only one office and so on, and possibly one set of lines. Now, if that happens—and, I am not saying it has happened—will the employees be covered by the provisions to the schedule of that act, or is this another act which looked good to the employees when it was passed, that looked like it was giving protection but, in fact, will not because of the way it may be interpreted.

Mr. MACDOUGALL: In reply to Mr. Orlikow, first of all, I say I am not aware of any master plan of any kind for consolidation of telecommunication between the Canadian National Railways and the Canadian Pacific Railway.

It is true that in the development of the telecommunication service by these two companies, through the new microwave system being built across Canada, there is a joint co-operative venture between the two companies in a new field, and that has been undertaken generally by them. As time goes on, I anticipate they may develop into new fields generally together but I do not know of any over-all scheme to combine all the offices and just have one. It is really amalgamating the two operations.

Mr. ORLIKOW: I did not say all the offices, but I was told there will be this amalgamation at Edmonton—

Mr. FISHER: Fort William.

Mr. ORLIKOW: —Cornwall, and Fort William.

I want to know definitely if this is likely to mean a reduction in staff? As you must realize, the employees are afraid. If this does mean a reduction in staff, does that act give them any protection or do they have to look to other protections?

Mr. MACDOUGALL: In answer to that point, Mr. Orlikow, I would say that I am not aware—and, I have spoken to Mr. Wilson, and he is not aware—of any over-all plan at this time. It is common knowledge that rumors do get about which disturb people, and we regret that as much as the employees do. In respect of Fort William and Port Arthur, the service of the two telecommunications offices is before the board of transport commissioners. But, I do know, if what takes place is a co-operative measure between the Canadian National Railways and the Canadian Pacific Railway and this is brought into play—it may be and it may not be—it does not mean that everything the companies do must come under the act.

The VICE CHAIRMAN: I believe you had a question, Mr. Foy?

Mr. FOY: Mr. Chairman, may I point out that a lot of our questions this morning have been very repetitious.

As you recall, this committee has been sitting for some time. It has been pointed out that we would like to try and finish before this session is over. Mr. Fisher brought this up again this morning, and I am just wondering if all this repetition is necessary.

Could we not call this committee to a halt this morning and possibly have Mr. Chase come. It seems to me that the committee members are here to listen to questions and answers; we have been very argumentative this morning in a great many instances, and I am wondering what the feeling of the committee is in this respect.

Mr. Chairman, I would also like to add there are many other committees sitting, which makes it very difficult to get a quorum on time, and if we do not do something about this I would suggest we are going to be in deep trouble. Is it the feeling of the committee that we have heard sufficient from these witnesses and, if so, could we have a motion to that effect.

Mr. ROCK: Mr. Chairman, I do not agree entirely with what Mr. Foy has said.

I was not in attendance at the last two meetings as it was necessary for me to be in the railway and airlines committee. I am a member of that committee as well as this one. I have not received any copies of the minutes of the last two meetings so I do not know whether or not this question was asked. I would like to have permission to ask a question, which is important to me and, possibly, to the whole membership of this committee.

Mr. Wilson, you mentioned the benefits of unemployment insurance in respect of lay-offs a while ago. Do you know whether or not in the United States, under the Washington job protection agreement employees who are laid-off because of abandonment or as a result of co-ordination of railway systems receive benefits according to this agreement, as well as receiving unemployment insurance at the same time?

Mr. WILSON: I am not an expert on United States law. This will be a short answer; the social security payments, I believe, are payable to people who are laid-off under those circumstances in the United States, but the Washington job protection agreement does not apply unless there has been an amalgamation or a co-ordination or merger between two railways.

Mr. ROCK: I understand that, but when this has happened in the past and if it happens in the future am I correct in saying there are these benefits gained by employees and they also get the social security benefits at the same time.

Mr. WILSON: I do not know. I cannot say.

Mr. ROCK: Does anyone in attendance know?

Mr. FOY: Mr. Fisher, are you going to start asking questions?

Mr. FISHER: Were you at our last meeting, Mr. Foy?

Mr. FOY: No.

Mr. FISHER: There were a few untidy items left in the evidence given by the Railway Association. As I understand the gist of what was said, it was that the Railway Association contradicts the evidence given by the railway unions in respect of the application of the Washington job agreement. That is on the record and will stand.

I would like to ask Mr. Wilson and Mr. Emerson whether they are aware of the case involving the New York Central where a line was abandoned which ran between Ottawa and Cornwall, and also a few miles into the United States. Some employees of that railway who lived in the United States just across the border were protected under the Washington job agreement.

Mr. WILSON: I am not completely familiar with the terms.

Mr. FISHER: Then there is no point in going on. The union has given evidence which shows this is so. That is, at that time the American employees on this particular international line had protection and the Canadian employees did not. I think it is important to draw this to the attention of my colleagues.

There is another question in relation to the evidence. I am curious about why the Railway Association made no mention of this, at least to my knowledge. In the union's evidence there was a suggestion that the railways use the act and the regulations interpreted by the board of transport commissioners to save themselves from any application of the Railway Act. For example, with a station they will reduce the number of employees there down to zero except for a caretaker, and then they will follow through with an application to discontinue with only a caretaker, and then there is no person left.

Again it seems to me that the unions also argue the railways are able to take advantage of the legislation and regulations in this particular case to set up a reduction in the work force over which the communities have no say, or in which they have no way of getting any protection. I think there are other examples which apply to the running trades where there may have been as many as 30 crews at a divisional point. The division point is not closed, but is reduced to maybe one or two crews, and therefore the railways are able to get around the intention of the act and the regulations.

I would like to ask Mr. Wilson and Mr. Henderson whether that amounts to an indication that the railways use their legal skill to circumvent the intentions of the act and the regulations; if so, have they any comment?

The CHAIRMAN: Gentlemen, we only have 14 members here. We do not have a quorum.

Mr. HORNER (*Acadia*): My arithmetic is bad. I see 15, and I am sure you can too if you look twice. Let us hear the evidence.

Mr. EMERSON: Mr. Chairman, Mr. Fisher asked first of all why the railways did not reply to specific charges. Well, I must say I do not think it is our duty or responsibility necessarily to reply to charges which are unsupported by evidence.

An hon. MEMBER: Quite right.

Mr. EMERSON: The fact of the matter is that the railways do at times close stations. I would point out that in each instance we have to go to the board of transport commissioners, through this process of making application, produce all the requisite data about the earnings and expenses involved in the operation of the particular station, and the board in turn hears objections from all interested parties; then the board in due course renders a judgment under which the railway may be allowed or may be denied the right to close the station. However, in the meantime, the individual employee concerned has full protection in the job. He is working at the normal wage.

Secondly, I would like to say, as you must realize, that what takes place, when there is a reduction in the volume and type of business done at the small points, is that there is a process of attrition and the normal procedure is to take the agent and replace him with a caretaker, a person who looks after the premises, keeps it warm and available for patrons to use. Subsequently, as frequently happens, the process of attrition continues and there is no longer a need for a caretaker, and he himself is removed. I submit this is not in any sense an attempt to circumvent the law or the provisions of the act; it is a perfectly normal process.

In the year 1962, Canadian Pacific Railway in fact did close 12 stations and removed the agents, and did not even replace the agents with a caretaker. The process did not follow in every instance.

One other point is that the employee concerned, let us say the agent under the terms of the collective agreement, has the right, within his seniority territory to establish his seniority and displace the junior employee. So, the employee who loses employment, if in fact one does at any particular time, is not necessarily the agent, but the junior man on the list who may be a person of very short employment. In the process of turnover and attrition, the probability is he is out of employment, if at all, only for a very short period of time.

Mr. FISHER: It is my impression, Mr. Emerson and Mr. Wilson, that you have come very close to giving the committee an assurance that there are no drastic or will be very few drastic consequences in terms of probable loss of employment on the major railways in Canada in the foreseeable future as a result of technical changes and developments. Is that a fair statement?

Mr. EMERSON: Mr. Chairman, if I may in speaking to this, I would like to say that the factors which will affect—as I now see it—future job opportunities and the numbers of jobs on the Canadian railways, will depend first of all on

the level of traffic, and the level of traffic obviously is not a matter over which, really, we have any control. I have mentioned before in these proceedings, and I am sure I do not need to remind members about this, the heavy wheat movement. If that continues, it is one thing; but if in another few months or years it falls off, that obviously is something else.

Another factor which is going to have a major bearing on railway job opportunities is what you people and your colleagues do in respect of financing and providing alternate transportation facilities in the competitive field in the way of seaways, highways, air facilities, and so on. We might as well face the facts. If you are going to provide and subsidize alternate transportation facilities which, by virtue of that preferred position, are going to be in a position to handle traffic which the railways now handle at a lower rate, the inevitable result, as certainly as night follows day, is there is going to be a reduction in railway traffic and employment. That is in your hands.

Mr. FISHER: The C.P.R. and the C.N.R. are multi-purpose carriers; you are in trucking, you are in air freight and air express. Is there no protection for you here?

Mr. EMERSON: May I finish the first answer before I come to your second question? Another aspect which is going to have a very substantial bearing on railway job opportunities in the future is the essentials which are involved in formulating and preparing demands for increased wages and fringe benefits, because, again, as certain as day follows night, the higher the wages and fringe benefits, the more unremunerative railway services become and the greater the necessity for the railway to terminate those services which in turn means loss of employment.

Also, there is the question of technological changes. I agree with what Mr. Wilson said, and at the present time I do not foresee those proceeding at the same rate they have in years gone by. Some new breakthroughs may come in which we cannot foresee and, what the consequences will be is hard to foretell.

I think those are the principal factors which will affect railway employment in the future.

Mr. MacDougall has drawn to my attention one factor I omitted. This again is in the hands of you gentlemen and your colleagues. This is the implementation of the findings of the MacPherson royal commission which is designed to give the railways more freedom in the highly competitive conditions which exist today.

Mr. FOY: I would like to make a motion now that we adjourn this committee in so far as the Railway Association is concerned and then have Mr. Chase at our next meeting.

Seconded by Mr. Crouse.

Mr. FISHER: I do not disagree with the motion, but I would like to suggest we should leave some initiative to the steering committee to discuss the matter of bringing Mr. Chase here and also any suggestions which may come from the other side; I am thinking of the railway unions. I believe there may be one point on which they might like to give us more information. It may not be in the form of questioning witnesses, but they may wish to present something which we might like to attach as an appendix. Therefore, I would support the motion, if there is a general understanding we will leave with the steering committee the initiative to act on those two points.

Mr. FOY: That is fine with me, except that I hope there will not be a steering committee meeting this afternoon; I am tied up.

The CHAIRMAN: Are you ready for the question?

All in favour?

Motion agreed to.

HOUSE OF COMMONS

First Session—Twenty-sixth Parliament

1963

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: PROSPER BOULANGER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, DECEMBER 17, 1963
THURSDAY, DECEMBER 19, 1963

Respecting

THE SUBJECT-MATTER OF BILL C-15:

An Act to amend the Railway Act (Responsibility for Dislocation Costs).

INCLUDING SIXTH REPORT TO THE HOUSE.

WITNESS:

Mr. Howard Chase, C.B.E., a former member of the Board of Transport Commissioners.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

29719-2—1

STANDING COMMITTEE
ON
RAILWAYS, CANALS and TELEGRAPH LINES

Chairman: Prosper Boulanger, Esq.

Vice-Chairman: James McNulty, Esq.

and Messrs.

Addison,
Armstrong,
Asselin (*Notre-Dame-de-Grâce*),
Balcer,
Basford,
Beaulé,
Béchard,
Bélanger,
Bell,
Berger,
Cameron (*Nanaimo-Cowichan-The Islands*),
Cantelon,
Cowan,
Crossman,
Crouse,
Emard,
Fisher,
Foy,
Gauthier,
Godin,
Granger,
Greene,
Grégoire,
Guay,
Gundlock,
Horner (*Acadia*),
Howe (*Wellington-Huron*),
Jorgenson,
Irvine,
Kennedy,
Lachance,
Lamb,
Laniel,
Leboe,
Lessard (*Saint-Henri*),
Macaluso,
MacEwan,
Mackasey,
Matte,
McBain,
Muir (*Cape Breton North and Victoria*),
Nielsen,
Nixon,
Orlikow,
Pascoe,
Rapp,
Regan,
Rhéaume,
Rideout,
Rock,
Ryan,
Rynard,
Smith,
Stenson,
Tucker,
Watson (*Assiniboia*),
Watson (*Châteauguay-Huntingdon-Laprairie*),
Webster—60.

(Quorum 15)

Dorothy F. Ballantine,
Clerk of the Committee.

REPORT TO THE HOUSE

DECEMBER 20, 1963

The Standing Committee on Railways, Canals and Telegraph Lines has the honour to present its

SIXTH REPORT

Complying with an order of the House of June 27, 1963, your Committee has given consideration to the subject matter of Bill C-15, An Act to amend the Railways Act (Responsibility for Dislocation Costs), and has heard evidence from representatives of the railways, from officials of various brotherhoods of railway employees, and from Mr. Howard Chase, a former member of the Board of Transport Commissioners.

The Committee was favourable to the subject matter of Bill C-15 and commends it to the House and the government; and to further clarify our views on the situation relating to the subject matter, the Committee recommends that:

The government give consideration to amending Section 182 of the Railway Act to ensure the rights of railways employees in those cases where abandonment, merger or coordination between railways, or the closing or near-closing of terminals and shops or the introduction of "run-throughs" is undertaken by the management.

The Committee would prefer that such matters as adjustment, compensation, re-training arrangements, and other ameliorations of the dislocation be a matter of negotiation between management and the employees' legitimate bargaining agencies but it recognizes that a strong encouragement to such means of settlement will ensue when Section 182 is read in such a legal way as to offer firm protection to the employees.

A copy of the relevant Minutes of Proceedings and Evidence (Issues No. 1 to 8 inclusive) is appended.

Respectfully submitted,

JAMES MCNULTY,
Vice-Chairman.

NOTE: The Fifth Report to the House concerns a Private Bill in respect of which no proceedings were published.

29719-2—1½

MINUTES OF PROCEEDINGS

TUESDAY, December 17, 1963
(13)

The Standing Committee on Railways, Canals and Telegraph Lines met at 4.15 p.m. this day. In the absence of the Chairman, the Vice-Chairman, Mr. McNulty, presided.

Members present: Messrs. Armstrong, Bell, Berger, Cantelon, Cowan, Fisher, Guay, Howe (*Wellington-Huron*), Kennedy, Lachance, Lamb, Lessard (*Saint-Henri*), McBain, McNulty, Rideout, Rock, Rynard, Tucker, Watson (*Assiniboia*), Webster—(20).

In attendance: Mr. Howard Chase, C.B.E., a former member of the Board of Transport Commissioners.

The Committee, in accordance with its order of the day, first dealt with a private bill, in respect of which verbatim evidence was not recorded.

The Committee then resumed consideration of the subject matter of Bill C-15, An Act to amend the Railways Act (Responsibility for Dislocation Costs).

As previously agreed, the following were taken as read and appear as Appendices (*See Appendices "K", "L" and "M"*):

—A letter from the Brotherhood of Locomotive Firemen and Enginemen, North Star Lodge #810, Edmonton, Alberta.
—A letter from the Associated Railway Unions and National Legislative Committee, International Railway Brotherhoods.
—A petition from the Joint Running Trades, Canadian National Railways, Sioux Lookout, Ontario.

At the request of the Vice-Chairman, Mr. Rideout introduced the witness, Mr. Chase. Mr. Chase made a statement and was questioned.

The Chairman, on behalf of the Committee, thanked Mr. Chase for appearing as a witness.

The Committee agreed that the Sub-Committee on Agenda and Procedure should meet tomorrow to draft a Report to the House, and that the Committee will meet *in camera* on Thursday, December 19th, to consider the draft report.

At 5:15 p.m., the Committee adjourned to the call of the Chair.

THURSDAY, December 19, 1963.
(14)

The Standing Committee on Railways, Canals and Telegraph Lines met *in camera* at 10:40 a.m. this day. In the absence of the Chairman, the Vice-Chairman, Mr. McNulty, presided.

Members present: Messrs. Addison, Armstrong, Balcer, Cameron (*Nanaimo*), Cowan, Fisher, Lamb, MacEwan, McNulty, Orlikow, Pascoe, Rapp, Rhéaume, Rideout, Rock, Ryan, Stenson, Tucker.—(18).

The Vice-Chairman noted the presence of a quorum.

Copies of a draft Report to the House were distributed to the members. After discussion, on motion of Mr. Fisher, seconded by Mr. Orlikow, it was agreed to approve the following draft report as the Committee's Sixth Report to the House:

> "Complying with an order of the House of June 27, 1963, your Committee has given consideration to the subject of Bill C-15, An Act to amend the Railways Act (Responsibility for Dislocation Costs), and has heard evidence from representatives of the railways, from officials of various brotherhoods of railway employees, and from Mr. Howard Chase, a former member of the Board of Transport Commissioners.
>
> The Committee was favourable to the subject matter of Bill C-15 and commends it to the House and the government and to further clarify our views on the situation relating to the subject matter, the Committee recommends that:
>
> The government give consideration to amending Section 182 of the Railway Act to ensure the rights of railway employees in those cases where abandonment, merger or coordination between railways, or the closing or near-closing of terminals and shops or the introduction of "run-throughs" is undertaken by the management.
>
> The Committee would prefer that such matters as adjustment, compensation, re-training arrangements, and other ameliorations of the dislocation be a matter of negotiation between management and the employees' legitimate bargaining agencies but it recognizes that a strong encouragement to such means of settlement will ensue when Section 182 is read in such a legal way as to offer firm protection to the employees."

On motion of Mr. Rock, seconded by Mr. Ryan, the Vice-Chairman was instructed to present the above report to the House.

Mr. Tucker moved, seconded by Mr. Lamb, that the Clerk be instructed to send a letter to Mr. Howard Chase, C.B.E., expressing appreciation on behalf of the Committee for the help and advice he gave in his appearance before the Committee on Tuesday, December 17th. Unanimously carried.

At 11:00 a.m., the Committee adjourned to the call of the Chair.

Dorothy F. Ballantine,
Clerk of the Committee.

EVIDENCE

TUESDAY, December 17, 1963.

The CHAIRMAN: We are going to resume consideration of Bill C-15, and for that purpose we have with us today Mr. Howard Chase of Montreal. I would ask Mr. Rideout if he would mind introducing Mr. Chase.

Mr. RIDEOUT: I wonder if Mr. Chase would please come up.

Mr. Chairman, I could introduce Mr. Chase but I am wondering, for the sake of the record, if he would mind giving us a little bit of his background himself. He is naturally far better acquainted with it than I am through the brotherhood, the board and other avenues of the government. It would be very helpful to us.

Mr. Howard CHASE, C.B.E. (*Retired member, Board of Transport Commissioners*): This is a tall order!

I might say first that I was hired by the Canadian Northern Railways locomotive engineers in Port Arthur in 1907. Subsequently I ran the locomotive out of Humboldt, Saskatchewan, Saskatoon, Prince Albert, later on to Edmonton, and ran it everywhere from Edmonton north, south, east and west. In 1921 I was general chairman for the engineers brotherhood of locomotive engineers for the Canadian Northern system. Starting in the east at that time it took in the Halifax and Southwestern, the Quebec and Lake St. John, the Canadian Northern Quebec, the Brockville and Westport, the Central Ontario, the Bay of Quinte, the Canadian northern Ontario, and the Canadian Northern western lines.

Those were all part and parcel of the Canadian National Railways. In 1929 a change was made and I was then made general chairman of the engineers for all the western regions of the Canadian National Railways. In 1933 I was elected the assistant grand chief for Canada, and continued on with that until just before the last war broke out. I was then appointed a member of the defence purchasing board. That became the war supply board, and I was requested by the government to come over here full time with that board as director-general of labour relations, which afterwards became the Department of Munitions and Supply. In 1941 I was appointed government comptroller of the National Steel Car Corporation plant in Hamilton, which I held for approximately one year, then went back again to my former position of assistant grand chief engineer for the brotherhood. Later on I was appointed a member of the board of governors of the Canadian Broadcasting Corporation, for five or six years—I was chairman of that board for over a year—and then became a member of the board of transport commissioners for approximately 11 years.

That is all.

Mr. RIDEOUT: I think that is enough, Mr. Chairman. I wonder, Mr. Chairman, in view of the background of Mr. Chase, if he could give us some information regarding not necessarily this bill, but the Railway Act as it plays into this particular bill.

Mr. CHASE: Well, Mr. Chairman and gentlemen, I did a little homework this morning to refresh my memory with regard to what is now section 182 of the Railway Act. That section has only been invoked six times in all the length of time it has been on the statute books, that is over 40 years, and only on the one occasion was compensation ever awarded to the employees.

If you would like to have a little bit of information with regard to that case, it was in 1923 when the C.N.R. applied to the board for permission to abolish Jasper, Alberta, as a terminal and consolidate at Lucerne, British Columbia. The two terminals were 22 miles apart. Jasper was formerly the Grand Trunk Pacific terminal, Lucerne was Canadian Northern terminal. When they made that application they asked the board to put in a proviso that the company compensate such employees as were occasioned financial loss by reason of the change. The board approved that and provided that, if unable to agree on the compensation, the same would be settled by the board by such means as it thought proper.

Now, it might interest you to know, Mr. Chairman and gentlemen, how that settlement was made. I went to Lucerne with the agent of the C.N.R. in Winnipeg and with a company evaluator. We got to Lucerne and we called a meeting of all the employees. We told them what we were there for, and the employees themselves gave me complete authority to settle for them. We then had each employee evaluate his home, the company's evaluator made his evaluation and I did the best I could to make my evaluation. After that was done, the three of us sat down and tried to work it out on a home to home basis. I might say that we looked at all these houses; they were mostly built of logs.

In the final analysis we had three men who had the best homes, holding out, and I suggested to the agent that if he would raise the ante by about $3,500, I thought I could settle it. He was only interested in the total cost, and I was able to effect a settlement. I want to stipulate now that there were no ground values; nobody could buy a lot in Lucerne as there was a 99 year lease. The same situation applied in Jasper as it is part of the Jasper national park and you cannot buy a lot there. It got to the point where the company owned all these homes. They said, "If you can move them, we will move them for you". That was an impossibility unless the house was torn down because of the big tunnel between Lucerne and Jasper. There was not enough room for these people in Jasper and there were not enough homes. Therefore, the company took a number of box cars and fitted them out for human habitation and set them out in the yard at Jasper. A number of the employees, in fact a big majority of them, lived in those cars.

I would like to mention in passing, in view of what has happened—and I might have something to say about it later on—that when the Grand Trunk Pacific and other lines were put into the C.N.R., the Grand Trunk Pacific lines a short way west of Jasper were torn up for a distance of about 20 miles. When the board, in its judgment, reversed the application of the company, the company wanted to consolidate at Lucerne but the board said, "consolidate at Jasper". They then relaid the steel on the 20 mile track on the Grand Trunk Pacific roadbed and tore up the corresponding amount of mileage on the Canadian Northern line which, as I said, abolished Lucerne. Yet, in the New York Central case the Supreme Court of Canada ruled that section 182 did not apply because it was abandonment of a line. That is rather an odd thing it seems to me.

Then, there were two other cases, both on the Michigan Central Railway, one of which is near Port Erie, Ontario. The Michigan Central, which you may now call the New York Central, made some changes whereby the work was diverted over to the suspension bridge, New York. The brotherhood of railway trainmen took that case to the board, and the board denied the application. Subsequently, they appealed to the privy council, and the appeal was denied. Not long after that, the same railway made another change and diverted traffic over from suspension bridge to Niagara Falls, and the trainmen again appealed to the board. The board decided that it was without jurisdiction.

There was also the Big Valley case in Alberta. In that case the railways diverted the traffic and forced the employees to move. The result was that 75 trainmen and 50 enginemen had to move and leave their homes behind them. They left six trainmen, four enginemen, two foremen and three stationmen, including the agent, at Big Valley. I argued that case before the board of transport commissioners in Edmonton and I told them at the time—and I still maintain—that the railway got out from under section 182 very cutely by leaving a few crews there. The one train in question could have been stationed at Edmonton and the other one could have been run out of Edmonton, but as long as this decision of the Supreme Court of Canada stays there—or rather the decision of the board of transport commissioners in that particular case—that terminal is not abandoned as long as a crew or an individual is left, and section 182 does not leave very much for the employees.

The last case was the New York Central case out of here. As I imagine, a number of you gentlemen know that I wrote the dissenting judgment and it is on the record. In that case I had to disagree with the Supreme Court of Canada, admitting their superiority over me as far as the interpretation of law is concerned. However, what happened when this line was abandoned? The terminal was abandoned, every station along the line was abandoned, yet they came along and said, "no compensation because section 182 does not apply in the case of an abandonment". Yet, that same railway, when they made an application to the interstate commerce commission to abandon a further piece of track on the south side of the St. Lawrence river from Cornwall, asked the I.C.C. to embody in their decision something which I see from the record you, gentlemen, have had some knowledge of, that is the so called Washington agreement—and that was done.

The result was that they compensated certain employees, particularly on the other side of the border; but on this side the Canadians were just second class citizens; they were not entitled to anything. They went to the supreme court and obtained the decision they wanted. I was greatly surprised, gentlemen, on that particular occasion to find the Canadian National and the Canadian Pacific appear before the Supreme Court of Canada supporting the New York Central.

Roughly that is the picture so far. Now, I would like to go back to the time before what was then section 165 (a) was put in the act, back in 1933. Prior to that time any railway except the Canadian National could abandon a line without approval of the board of transport. The Canadian National could not abandon a line without the approval of the governor in council. So, then they were bringing into effect the Canadian National-Canadian Pacific Act, they put in that act a provision that under the co-operative features neither railway could abandon the line without the approval of the board of transport commissioners.

Therefore, now you have three different arrangements. Any railway other than the Canadian National could abandon without any approval. Canadian National could not abandon without approval of the governor in council; and in the third place under the Canadian National-Canadian Pacific Act, it could be done only by approval of the board.

The late Dr. Manion was the minister of railways and canals. He brought in section 165(a) which provided that no railway could abondon a line without the approval of the board of transport commissioners. This was to bring them all on to an equal footing.

If you go back and examine the *Hansard* of that day, provided my memory is as good as I think it is, you will find there is argument from the floor of the House of Commons to the effect that section 165(a) must some way or the other be tied into what now is section 182, in order to protect the employees. But Dr. Manion took the position that the employees definitely were protected under section 182.

I would say further, gentlemen, that all the representatives of labour on the railways solemnly believed that section 182 would afford them some protection. They believed this until the decision of the supreme court was handed down with regard to the New York Central case.

I can assure you, Mr. Chairman and gentlemen, had we ever dreamed in our wildest dreams we did not have that protection, we certainly would have moved in on the government years and years ago to make sure we did have it. I also am convinced the railways themselves believed it. Otherwise, why in the Lucerne case did they say "we will compensate the employees". However, you have a new crop today; you have people who were not there when these things were done and who have no experience with them. Now they have the first hole shot through section 182.

I think that is the picture so far as I can give it to you in respect of that particular question.

Mr. RIDEOUT: There was only one settlement.

Mr. CHASE: Only once in the history of that section of the act was compensation provided.

Mr. RIDEOUT: That was done by the Canadian National Railways?

Mr. CHASE: The Canadian National in the case of Lucerne.

Mr. RIDEOUT: Do you know how many times they had made application that this clause be made effective?

Mr. CHASE: I have given it to you, sir; six times.

Mr. RIDEOUT: The C.N., the C.P., or both?

Mr. CHASE: Four or five times; twice on the Michigan Central, twice on the Canadian National and once on the New York Central.

Mr. FISHER: I think perhaps the point Mr. Rideout wishes to bring out is that the supreme court decision in the New York Central case showed that section 182 is ineffective, and since then the national legislative committee of the brotherhoods has been making representations to the cabinet to have section 182 revised so that it would be effective.

Mr. BELL: When was the New York Central case?

Mr. CHASE: About 1957 or 1958 while I was still a member of the board of transport commissioners.

Mr. ROCK: Did this involve employees who had to change residence?

Mr. CHASE: In the New York Central case there was no compensation and the supreme court said they did not have to pay.

The CHAIRMAN: Gentlemen, in the future when you wish to ask questions, would you please raise your hand so that I can call upon you in order?

Mr. ROCK: There was no settlement for a person who had been forced to move from one place to another?

Mr. CHASE: Only in the Lucerne case.

Mr. ROCK: But in this case there was no compensation in respect of salary; it was just in respect of moving?

Mr. CHASE: That is right. I do not want to infer they paid the man a salary while moving.

Mr. ROCK: Were there any employees at that time who lost their jobs?

Mr. CHASE: No.

Mr. ROCK: It was just a matter where they had moved and they were paid compensation.

Mr. CHASE: The companies paid them for the transportation of their household effects to Jasper and provided living space in Jasper for them until such time as they could acquire a house.

Mr. HOWE (*Wellington-Huron*): Did those men lose any time; should they have had compensation for time off?

Mr. CHASE: All the time they lost was just the time spent in moving from one terminal to another; there was no claim.

Now, might I go a step further and point out some of the things which have transpired over the years, to show how the employees themselves can help out. With the amalgamation of the Canadian Northern Railway into what is now the Canadian National Railways, naturally they diverted traffic to the shortest line. From Winnipeg to Edmonton by the Grand Trunk Pacific Line was about 20 miles shorter than the Canadian Northern. So, naturally they put the passenger trains and the fast freight on that line. The result was we were hiring and promoting men on one line to handle traffic which had been diverted from another line, and the men on the line from which the traffic had been diverted were out of jobs. There was only one answer; that was the amalgamation of the seniority. The engineers and the firemen made a joint agreement amalgamating the seniority of the men, giving them seniority on parallel lines, and establishing seven seniority districts on the Canadian National Railways from coast to coast.

Now, the first one is from Halifax to Riviere-du-Loup; then from Riviere-du-Loup up to Montreal, and up the other line to beyond Cochrane, and so on. In the west there are only two seniority districts. So, the result was the men could move whichever way the traffic was moving. If you look over the Toronto area, you will see that the Canadian Northern terminal in Toronto was disbandoned completely. Now, that did not force anybody to move. They operated their trains through the old Grand Trunk terminal. Then there was 135 miles of Canadian Northern track between Toronto and Napance. That traffic was diverted over to the Grand Trunk double track line.

By virtue of this agreement which I mentioned a moment ago, the employees went over with the traffic. We worked out an agreement which we thought was fair and reasonable to everybody. What I am trying to portray is that in these situations there needs to be a co-operative effort between the railways and the employees.

Mr. RIDEOUT: You are saying in effect this could be or should be negotiated?

Mr. CHASE: Should be, by all means.

Mr. RIDEOUT: When a terminal is abolished?

Mr. CHASE: Certainly. I told you how we settled the Lucerne situation; but the company was willing.

Mr. RIDEOUT: That is in so far as the running trades are concerned?

Mr. CHASE: In the Lucerne case it was everybody.

Mr. FISHER: Do you not feel it is very difficult to negotiate if the section of the Railway Act which should encourage or bring the railways towards negotiation has been declared ineffective by the judgment of the supreme court?

Mr. CHASE: Well, I do not know that I just follow you there, Mr. Fisher.

Mr. FISHER: I think it would be the general view of almost everybody in the committee that if this whole issue could be brought within a negotiation framework it would be better than any other way; but until there is something in the act to put an onus on the railways, they are not going to move towards it or encourage it.

Mr. CHASE: Well, Mr. Chairman and gentlemen, in reply to Mr. Fisher I have to say that I have read all the evidence so far, which your clerk kindly sent to me, and it seems to me this situation has been blown up like a great big balloon because of the possibility of abandonment of some branch lines in western Canada.

Would you gentlemen believe that when I was with the board of transport commissioners we had a complaint regarding some people living on a C.P.R. branch line which runs to a point north of North Battleford, Saskatchewan. When we took a look at it, what did we find? The Canadian Pacific was running one train a month. Now, I would imagine that would be one of the lines they would want to abandon. How many employees are going to lose their jobs? The only persons who possibly could be affected would be three or four section men who have seniority by which they can move some place else. It would not affect the running trades; it would not affect the operators, because there are not any except possibly a station agent at the far end of the road. It would not affect the shop men. There may be some today, with the wheat movement.

There are other branch lines in that country which run only one train a week. It will not involve any compensation worth while speaking of; nobody has to move. As I see it one of the big bugaboos—I will put it that way—is in connection with these so-called run-throughs. In your territory, Mr. Fisher, somebody made a great big blunder, pure and simple, when they established that run-through and gave all the traffic to Transcona and put one of your fellowmen up there in Sioux Lookout where the older man could not move because of the terms of the collective agreement. He could not move but the younger man could. Now it has spread throughout the country. The company wants to extend the run-through from Winnipeg to Jasper and it thinks perhaps some way, somehow, some of these home terminals will disappear. There is no need of this whatsoever, and there was no need of that being done in respect of Sioux Lookout.

Mr. RIDEOUT: Was that in connection with the C.N.R. or the C.P.R.?

Mr. CHASE: The C.N.R. All they had to do was get together and allocate 50 per cent Sioux Lookout men and 50 per cent Transcona men. They run through but no one leaves home.

Mr. Rideout, down where you come from, the first run-through was established by the C.N.R. from Moncton to Halifax some 30 odd years ago. Up to that time there was the main line from Moncton to Truro and from Truro to Halifax and, in setting up those runs, there are so many Truro men and so many Moncton men. No one left home; no one had to leave home. No terminal was abolished; no jobs were abolished. A Truro man goes down to Halifax and back to Moncton, back down to Truro and steps off, and a Truro man steps on. The Moncton men work right through. But, the men who make that change split their trip tickets. It is only 60 miles from Truro to Halifax. Normally under the agreement it would have to be 100 miles to be paid. But, the employees split the tickets between them, so it does not cost the company a cent more than it would have otherwise.

Now, I will take you to Riviere-du-Loup; this probably was about the same time and before I had any jurisdiction down there. They ran the crews through from Campbellton to Riviere-du-Loup. Then they had a local train running from Levis through Riviere-du-Loup to Mont Joli back and forth six days a week. Now, here are these poor devils assigned to these trains running through their home terminals six days a week; Saturday comes and one is at Levis and one at Mont Joli and the only way they can get home is by dead-heading home, have a visit with their family, and then dead-head back to take the run out on Monday morning. In my opinion, that was inhuman. That had been going on for a long long time and finally it was put in my lap.

I went to the late Mr. N. B. Walton, the then vice president of operations of the Canadian National Railways and explained the thing to him. I said: how would you like to be one of those men? He said: Howard, I do not think I would like it. Then I said I would not either; I said: I would like you to give this some consideration. They were mostly French Canadian chaps down there. There was 100 of them and out of that total there was only one English speak-

ing employee. They are family men and generally have good sized families. They want to see their families more than once a week. I said: "now, I will make a deal with you." He said: "what is it?" I said: " we will write that 84 miles off," that is 84 miles from Riviere-du-Loup to Mont Joli, but you pay the terminal time; we will split on that and then these men can get off at home every day." He said: "this is a deal." Now, that went through. Gentlemen, that was co-operation. I was willing to give something in exchange for the company creating a condition which would be more favourable to the employee.

Mr. RIDEOUT: You are saying this run-through situation could be resolved by negotiation.

Mr. CHASE: Absolutely and conclusively. It is just as simple as A,B,C to me. Say, we want to run-through here; here is a home terminal here and there is one there. This is an intermediate point where the crews do not live. We will say the mileage is about equal. I put ten crews from here that belong to this terminal and ten from there, and then they run-through. No one moves. But, if you are going to have some bullhead come along and say: I am going to abolish that terminal and give it all to this one that does not make sense. Naturally, I can understand the employees would feel upset about these threatened conditions.

Now, to go a step further, going back to the agreement we made when we merged the seniority in respect of the Canadian National Railways, it took about ten years before that was completed, and the line taken up and so on. If I read correctly the MacPherson report and what has been going on, it is going to be ten years before this branch line question is disposed of. Ten years is a long time and a lot of changes will take place in the interval. The number of men who will have to move under this does not amount to anything, to my way of thinking, and it could, I think, and should be settled by negotiation by the railways negotiating with—and I want to stress this—the accredited representatives of the employees with whom the company has an agreement and not some runt organization or some dissatisfied employee.

Now, if negotiations do not bring about a settlement there needs to be a tribunal some place where they can go for a final decision, whether that be by qualifying under section 182 of the act or whether it be by saying it should be referred to the board of transport commissioners or some other tribunal, well and good. I would hate to see the board of transport commissioners shouldered with a proposition that was going to keep coming up all the time with individual employees.

In reading the transcript I must say I was greatly surprised. At page 216 of the proceedings, number 6, I would like to quote the following:

> Mr. FISHER: Is the C.P.R. prepared—because I assume you always are interested in seeking freedom, and I am sure you seek the same freedom for the unions as you do for management—to put the subject matter of this bill strictly within the contract framework and take it completely out of the context of anything to do with the government?
>
> Mr. EMERSON: I do not know whether I am following you yet. If you are suggesting to me Bill C-15 should be dropped and the matter should become one for negotiation, that certainly is a possibility. In all fairness and honesty, I am bound to say to you that still does not alter my view that this is not an appropriate solution to the problem; that is, it is not an appropriate measure to be introduced either through legislation or collective bargaining.
>
> Mr. FISHER: If you can, would you explain in more detail why collective bargaining is not an appropriate solution to this particular question?

Mr. EMERSON: Your question, Mr. Fisher, seems to stem, if I may say so, and I may be wrong, and if I am I am sure you will correct me, from the concept that here is something to which these people are entitled and therefore if they cannot get it through legislation they should be able to get it through collective bargaining, or vice versa. I think this is your premise, and I believe your premise is founded on erroneous grounds.

Now, if Mr. Emerson has been reported correctly and if I am able to interpret what he means I take it it means that he considers the employees have no rights in the premises whatsoever; that the railways should be free to do as they darn well please at any time regardless of the cost to the employees. If anyone has made out a good case to support Mr. Fisher's bill I would award the palm to Mr. Emerson.

Some years ago a United States magazine printed an article entitled, *The Encrusted Traditions of the C.P.R.*, and the theme of the whole thing was that they never changed. So, I think it is reasonable to assume that Mr. Emerson is doing his utmost to maintain the old encrusted traditions of the C.P.R.; in other words, he is back to the old master and servant idea which prevailed, according to history, over some 100 years ago, or he is acting in a way which is equivalent to the American slave conditions in the southern states 100 years ago. In effect, he is saying: you are just a bunch of animals, dogs; you have no rights in the premises at all. This is the way it appears to me. I may be wrong, but at least I can express my own opinion here.

Mr. RIDEOUT: In view of the fact that this room is needed, perhaps some other members at this time would like to put some questions to Mr. Chase.

Mr. FISHER: I have not a question but I looked at debates in connection with the Manion amendment to the railway act. Mr. Peter Heenan was the spokesman at the time for the official opposition and Mr. Manion and Mr. Heenan—at least, this is my interpretation—were, to my mind, in fundamental agreement on the effectiveness and the efficacy of what was to become section 182; that is, that it did apply in these exceptional circumstances. One of the lessons we all learned is no matter what the intent of the politicians may be when it comes to legal interpretation judges do not look at *Hansard,* and obviously the judges who made the interpretation, particularly in the New York central case, did not look at *Hansard.*

However, it is my contention, in support of what Mr. Chase said, that it was the intention of the politicians at the time and when section 182 was put into effect and the other amendments were made that related to it that this was to be an effective section of the act. I just put that to the committee members because I think it is relevant in regard to the argument of the railway companies and particularly Mr. Emerson's evidence, that this has nothing to do with the government or the employees but that it is a management prerogative.

Mr. CHASE: From what I read in the transcript Mr. Wilson of the Canadian National Railways has indicated the Canadian National Railways would be willing to try to settle by negotiation, but how in the world can you negotiate if you have someone who will not negotiate.

Mr. FISHER: Another corollary to this is that the other day in the railways airlines and shipping committee this point of the run-through was brought up by Mr. Gordon and he indicated the Canadian National Railways, because of the difficulties, would give serious consideration to taking the initiative in saying this whole matter was a continuing matter of negotiation. So, in effect, the Canadian National Railways has given some indication through both Mr. Wilson and Mr. Gordon that there is an intent on the part of that particular railway.

Mr. CHASE: May I say a word or two in this connection; you mentioned the Canadian National-Canadian Pacific Act; it was prior to 1939 when this Washington job agreement was agreed upon in the United States, and I see some mention of that made in the minutes of the proceedings.

After that we went to the Right hon. C. D. Howe and asked him to incorporate the compensation terms of that agreement in the Canadian National-Canadian Pacific Act in 1939. Mr. C. D. Howe introduced that bill in the Senate. He told me he thought he could get it by the Senate easier than he could get it by the Commons. I was there when he passed that bill through the Senate committee.

I think the position was taken by the railways that the Washington job agreement only came into operation in the event of co-ordinated movements. That is true as far as the first few sections of the agreement are concerned, but subsequent to that—as I mentioned about the New York Central case a little while ago—there are many occasions where the railways in the United States have applied to the interstate commerce commission for permission to do this and that, and have asked them to make a proviso in their decision that the provisions of the Washington job agreement be applied. It has not been restricted all the way through to co-ordinated movements. That is what I want to get over. What is a co-ordinated movement? I might tell you this, that while I was assistant grand chief for the locomotive engineers I was at the headquarters in Cleveland and I was acquainted with what was going on in that country. I will try to give you an example. There are a lot of men over there, engineers, firemen and trainmen, confined only to yards service; they have no rights in the main line.

You might have a good sized city, with a lot of industries served by perhaps three different railways. Now, the depression is on and there is no eight hours work for this, that or the other man; there is probably eight hours work to cover all three men. So they agree among themselves that one switch engine and one crew will do the work for three railways, and take the cars from the respective railways, deliver them to the industries and bring them back. In that case you would have two crews out of a job for the time being. They would come under the Washington job agreement for compensation. What happened in this country? I will give you one instance. At Portage la Prairie, Manitoba, 60 miles west of Winnipeg, Canadian Pacific had a switch engine and Canadian National had a switch engine. During the depression years they got to the point where there was no eight hours' work on both railways. Management called me in and said, "Howard, here is the proposition we have; we do not want to cut this down to one switch engine. Have you got any suggestions?" I said, "Certainly, put the Canadian Pacific engine and crew on for one month and the Canadian National engine and crew on for the next month". We settled it among ourselves. It is as simple as can be. There was no compensation and nobody moved. Jobs were manned by men from Winnipeg. It is just the same if business fell off and you were laid off. I do not think there is anything more I can tell you about that.

Mr. BELL: May I ask you a question with reference to your remarks, Mr. Chase, about Mr. Emerson's contention that they have no collective responsibility? I was not here while Mr. Emerson was a witness and we all appreciate that the Canadian Pacific Railway and the Canadian National Railways may figure they have different responsibilities in this type of matter. Is it not fair to say that Mr. Emerson's contentions, whether they be right or wrong, are the views that have been upheld by the court in the New York Central case?

Mr. CHASE: No, sir. The New York Central case was merely decided because the line was not abandoned, therefore compensation should not be paid. If a

terminal where the crews reside is abolished through the railway making an application to the board, and the board agrees, then under section 182 the railways would have to pay the compensation as provided for under section 182. Section 182, as I understand, never did mean that the employee would be paid for time lost. It applied to the moving of his household goods, and there might be some question of compensation with regard to a home, or there might not be; it would depend on the circumstances, the value of the property and the economic conditions in the city where the man might live. Moreover, it is not every employee who owns a home.

Mr. BELL: You still admit the act may need strengthening?

Mr. CHASE: I agree, sir, that if in its wisdom the committee thinks that the matter should be handled by negotiation, if it is within the competence of parliament, that you come up with a decision to the effect that if and when these things happen the railways will be directed to negotiate with the accredited representatives of the employees concerned, and failing to reach a settlement there will be some tribunal to which they can appeal—that could be the board of transport commissioners under section 182, if you felt like clarifying section 182 to that extent. On the other hand, it might be that if they cannot agree, they will set up a tribunal. For instance, the railwayman and the organization man may agree. That is a common occurrence almost day in and day out.

Here is what I am looking at with respect to negotiations: you might have a condition where only certain classes of employees are affected, as I said about the run-through. At the intermediate terminal there might be some shopmen who might be put out of a job. The track maintenance wayman would not be affected, there would only be just the small number of shopmen. No representative of the shopmen could sit down with the railways. In addition to that, it is not a one-way street. The representatives of the employees will have to give way here to a certain extent to effect the settlement. In some cases that may mean the widening of their seniority. I know that Mr. Wilson gave an example of a fellow in the freight shed with four years' seniority being laid off instead of the other fellow on the express end junior to him. Surely it would be possible to combine those different operations into one common class. I might give you a little illustration. A little while ago I dealt with a case in the National Steel Car plant in Hamilton. Representations were made to me one day to establish seniority. They never had seniority recognized in that plant until then. I said: "well, boys, that is right down my alley; I will be glad to do it, but I want two kinds of seniority." The employee said; "what do you want?" I said, "I want plant seniority and I want departmental seniority". Now, to give you the picture of this, say, I have a contract to build 100 box cars. We are just about completing that contract and I have not another one. So, when I have completed here are all these employees laid off in that particular department? If they do not have plant seniority they would not be able to go any place else in the plant. But, by giving plant seniority they were able to move over to some other job which they could handle. But, I put that in with the understanding they would have to go back to their department when required. Now, that worked like a charm. I cannot see any reason whatsoever why these things cannot be settled by negotiation provided men with good will will sit down and honestly try to do it.

Mr. RIDEOUT: Mr. Chairman, I think that pretty well sums it up. As you know, someone else is waiting for this room.

The CHAIRMAN: Gentlemen, I am sure we have derived a great deal of benefit from Mr. Chase's remarks and on behalf of the committee I would like to thank him very much for appearing as a witness here today.

Gentlemen, we should make a report in respect of Bill C-15 and I was wondering if it would be possible for the committee to meet at 10 a.m. tomorrow morning, if we can get a room.

Mr. FISHER: Mr. Chairman, there are a couple of other committees sitting tomorrow; these committees also are writing their reports and I was wondering if it would be possible to set a time on Thursday.

The CHAIRMAN: What is the feeling of the committee?

Mr. RIDEOUT: Mr. Chairman, it has been quite difficult to get a quorum today and I think it would be worse on Thursday.

Mr. FISHER: May I suggest the steering committee meet tomorrow.

Mr. RIDEOUT: Yes, that would be a good idea.

Mr. FISHER: The steering committee could draft something in rough for the meeting and then we could try to call a meeting on Thursday at a time when perhaps other committees would not be sitting. What would be the possibility, Mr. Chairman, of the steering committee providing something for us?

Some hon. MEMBERS: Agreed.

Mr. CHASE: Before you adjourn, Mr. Chairman, I would like to thank you for the invitation to come here and discuss these matters with you, and if I have helped you out in any way I am glad of it.

Mr. FISHER: I am pleased to have Mr. Chase here. My father fired for him about 50 years ago.

Mr. CHASE: Yes, in 1910 your dad was my regular fireman. Of course, I am a young fellow, you know.

APPENDIX K

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

NORTH STAR LODGE NO 810
EDMONTON ALBERTA

13404 — 137 St.
Edmonton, Alberta.
December 10, 1963.

Honorable P. Boulanger,
Chairman,
Standing Committee on
Railways, Canals and
Telegraph Lines,
House of Commons,
Ottawa, Ontario.

Honorable Sir:

The members of Lodge 810 Brotherhood of Locomotive Firemen and Enginemen wish to go on record as being in support of the briefs submitted to your committee, by the elected representatives of all railway unions, on the necessity for an amendment to section 182 of the Railway Act, a subject matter that has for some time been under consideration by your committee.

We understand that Bill C-15, which is in the form of an ammendment to Seciton 182 of the Railway Act will shortly be coming up for debate in the house of Commons.

Therefore, in light of the presentations made by our representatives we urgently solicit your favorable consideration in support of this ammendment to section 182 of the Railway Act.

Respectfully submitted,
A. O. Quevillon,
Recording Secretary Lodge 810

Copy to
The honorable Minister of Transport,
Honorable Members, Standing Committee,
on Railways, Canals and Telegraph Lines.
Right Honorables,
Leaders of Opposition Parties.

APPENDIX L

ASSOCIATED RAILWAY UNIONS AND
NATIONAL LEGISLATIVE COMMITTEE
INTERNATIONAL RAILWAY BROTHERHOODS

December 12th, 1963.

To the Members of the Standing Committee,
Railways, Canals and Telegraph Lines,
House of Commons,
Ottawa, Ontario

Honourable Sirs:—

The Minutes of Proceedings and Evidence of your Committee respecting the subject matter of Bill C-15 contain numerous references to "The Washington Job Protection Agreement". From the questions asked and evidence presented by witnesses of the Railway Association of Canada, it is apparent that there is confusion in the minds of all concerned regarding the agreement, and in order to clarify the situation we respectfully set out the following information, which is in our opinion relative to the agreement referred to.

During the depression years of the late 1920s and early 1930s, the Eastman Plan of consolidation and elimination of duplicate rail facilities was given wide publicity. To put such a plan in effect without devising some form of employee "protection" would have compounded the nation's already serious and overwhelming unemployment problem. Consequently, the Emergency Railroad Transportation Act of 1933 was enacted by Congress and for the first time "Protection" achieved formal status since the Act provided for a job freeze for employees affected by a consolidation. With the expiration of the Act, the representatives of labor and management sat down and consummated the Washington Job Protection Agreement of May 21, 1936. While the WJPA left much to be desired, it was a step in the right direction. The employee benefits therefrom were not widely utilized for the next decade because of the shelving of the Carriers' plans for consolidations during the approaching war years.

In 1940 the legislative consideration to the problem was again undertaken and Congress responded with the enactment of the Transporation Act which, under Section 5(2)(f), vests the Interstate Commerce Commission with authority to impose "Protective" conditions in mergers, consolidations and abandonments requiring approval of that agency. Subsequently, the Oklahoma, Burlington, New Orleans and other protective conditions came into being by ICC directive and in some instances exist side by side with the benefits under the Washington Job Protection Agreement. As an illustration of the "coexistence" of the WJPA along with conditions imposed by the ICC, let us assume that two or more Carriers, parties to the WJPA, file petition with the ICC for approval to merge or coordinate separate facilities at a specific point. The ICC then approves the plan and imposes the "New Orleans" conditions for the protection of employees who may be adversely affected. The conditions thus imposed become effective for a four (4) year period from the date of the ICC order and if a year elapsed before the merger or coordination could be placed into effect, the protective period would be reduced to three (3) years. At the conclusion thereof, the adversely affected employees may then pick up the benefits under the WJPA for an additional two (2) years, making a total of five (5) years' protection.

It must be borne in mind, however, that many "coordinations" as defined under Section 2(a) of the WJPA do not require ICC approval and are not therefore subject to protective conditions imposed by law. On the other hand, protective conditions are frequently imposed by the ICC in partial abandon-

ments of supposedly non-profit trackage and facilities which are not covered by the WJPA. In short, the benefits under the WJPA are applicable only if the Carrier's proposed plan of operation is a "coordination" as defined by Section 2(a), reading as follows:

'The term "coordination" as used herein means joint action by two or more carriers whereby they unify, consolidate, merge or pool in whole or in part their separate railroad facilities or any of the operations or services previously performed by them through such separate facilities.'

Question frequently arises as to the meaning of the terms "displacement allowance", "coordination allowance" and "separation allowance" as well as who may qualify for same. Since the ICC has patterned the various protective conditions imposed by law after the Washington Agreement, it would seem to suffice by defining the terminology of the WJPA. The period of time under which an employee is protected varies, however, according to the specific conditions imposed by the ICC.

What is a displacement allowance and who may qualify for same?

Any employee, subject to the scope of the WJPA, who is continued in service after a particular coordination, shall receive a displacement allowance for a period not to exceed five (5) years from the date first adversely affected solely by reason of such coordination, provided he exercises his seniority to the best of his ability, without requiring a change of residence, to obtain a position paying compensation equal to or greater than that held immediately prior to such displacement. Displacement allowances are computed by totalling the earning of the individual for the twelve (12) months in which he performed service immediately prior to the time first adversely affected by said coordination and dividing the sum thus obtained by twelve (12). This constitutes a guarantee and the individual is then paid the difference, if any, between his actual monthly earnings and his guarantee, provided he does not lay off on his regularly scheduled work days of his own accord.

What is a coordination allowance and who may qualify?

Any employee of any of the carriers participating in a particular coordination who is deprived of employment as a result of said coordination shall be given a coordination allowance based on length of service, which shall be a monthly allowance equivalent in each instance to 60% of the average monthly compensation of the employee in question during the last twelve (12) months in which he earned compensation. The average monthly compensation is computed in the same manner as the guarantee for those employees eligible to receive a displacement allowance. The 60% of the average monthly compensation will be paid as follows—

Length of Service	Period of Payment
1 yr. and less than 2 yrs.	6 months
2 yrs. and less than 3 yrs.	12 months
3 yrs. and less than 5 yrs.	18 months
5 yrs. and less than 10 yrs.	36 months
10 yrs. and less than 15 yrs.	48 months
15 yrs. and over	60 Months

Each employee receiving a coordination allowance shall be subject to recall to service after being notified in accordance with the working agreement. In addition such employee may be required to return to the service of the employing carrier to perform other reasonably comparable employment for which he is physically and mentally qualified to perform and which does not require a change in his residence. Failure to report when thus called relieves the carrier of any further obligation to continue paying said coordination allowance.

Any employee entitled to receive a coordination allowance may, at his option at the time of coordination, resign and accept a separation allowance in lieu of all other benefits as a lump sum determined in accordance with the following table—

Length of Service	Separation Allowance
1 yr. and less than 2 yrs.	3 months' pay
2 yrs. and less than 3 yrs.	6 months' pay
3 yrs. and less than 5 yrs.	9 months' pay
5 yrs. and less than 10 yrs.	12 months' pay
10 yrs. and less than 15 yrs.	12 months' pay
15 yrs. and over	12 months' pay

Employees with less time than one (1) year's service will be paid five (5) days' pay at the rate of the job last occupied.

Section 11 of the WJPA as well as the Oklahoma and Burlington Conditions provide certain safeguards for loss in the sale of homes and moving expenses for employees entitled to a coordination allowance who accept employment at points which require a change of residence.

As previously indicated, the period of employee protection varies. Under the WJPA an employee entitled to receive a displacement allowance will receive same for a five (5) year period from date when first adversely affected. The New Orleans and C&NW Conditions limit such protection to four (4) years from effective date of the ICC order authorizing the carrier's proposed plan of operation. Similarly, the Oklahoma and Burlington Conditions limit the protection period to the date an employee was displaced to the expiration of four (4) years from the effective date of the ICC order but in no case shall such protection extend for a longer period during which said employee was in the employ of the carrier.

The Oklahoma, Burlington and New Orleans Conditions are different than the WJPA in the matter of deducting outside earnings from coordination allowances due employees entitled to receive same. The Oklahoma, Burlington and New Orleans Conditions specifically permit such deductions while the WJPA makes no such provision.

A further study of the proceedings shows that the Railway Witnesses repeatedly offered the opinion that craft and point seniority are obstacles to mobility. There is evidence that the Unions are willing to expand their seniority districts, but the Railways refuse to accept financial responsibility for additional costs that would naturally result from greater geographical mobility. Then, too, the history of point seniority records that the Railway initiated such seniority provisions in order to attract employees to outlying points by giving them security at that point.

With regard to mobility between crafts, one must appreciate that employees with a particular skill who become redundant because that skill is no longer required, do not necessarily have the skills needed in another craft.

For example: A Railway Machinist serves a five-year apprenticeship with the Railway, as does a carman. If there is a layoff of machinists, can it be assumed that a machinist could be transferred to a carman's position if there was no craft union seniority. It would seem more likely that without craft seniority the unskilled who become redundant would not be transferred to skilled occupations because of training or retraining costs, and therefore would be laid off. On the other hand the skilled employees who become redundant would probably be offered employment in unskilled occupations, again because of the cost of training or retraining for other skilled occupations.

This is obviously the reason why in the U.K. the agreement has a provision whereby men transferred to a lower grade keep their old pay rates indefinitely.

One other aspect on which we wish to comment for the information of the Committee is the point raised in last Tuesday's proceedings, of which we do not yet have the written record, is the application of the CN-CP Act in cases of amalgamating telegraph offices.

The Agreements between the Railways and the Commercial Telegraphers' Union was designed to afford employees with the greatest seniority the fullest advantages of length of service. Promotion was through the various avenues from check boys (those who carried messages from one wire to another) to the rank of Senior Wire or Plant Chief.

In each progressive step the employee was permitted to retain seniority accumulated in the lower classification. So, in the event of staff reduction in the group in which he was presently employed, he was not released from service, but reverted to the lower classification in which he held seniority.

Therefore, the compensation provided for in the CN-CP Act could apply only after the employee had exhausted all the downward steps provided for in the agreement, before being released from service. Should he decline to follow this course and resign from service, he could not apply for any compensation provided for in the CN-CP Act.

While the foregoing provisions provide for continuation of service, at reduced remuneration, they do not provide compensation for the actual loss of salary involved, nor compensation for any property loss involved in having to move to another location in the exercise of seniority.

Therefore, we submit that Bill C-15 provides for protection not now obtainable under the CN-CP Act.

Trusting that the foregoing will be of assistance to you, I am

Yours very truly,

A. R. Gibbons, *Secretary.*

APPENDIX M

Box 733
Sioux Lookout, Ontario
December 9th, 1963

Mr. Prosper Boulanger, Esq.,
Chairman, Standing Committee,
Railways, Canals and Telegraph Lines,
Ottawa, Canada.

Dear Sir:

Enclosed please find our petitions in full support of Bill C-15.

Yours truly,

Thomas Moroz,
Chairman, Joint Running Trades,
Sioux Lookout.

We, the undersigned, fully support Bill C-15, An Act to amend the Railway Act (Responsibility for Dislocation Costs).
Canadian National Railways

(Signed) Thomas Moroz, and 75 other signatures.